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East Asia

FBIS-EAS-95-053
Monday
20 March 1995

Daily Report
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Top Officials Named for KEDO

SK2003085495 Seoul YONHAP in English 0846 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—The United States Government named Monday Stephen Bosworth, former U.S. ambassador to the Philippines, executive director of the Korean Peninsula Energy Development Organization (KEDO), a Foreign Ministry spokesman said.

Choe Yong-chin, director general of the Foreign Ministry's international economic affairs department, and Itaru Umezu, deputy director general of the Japanese Foreign Ministry's international cooperation bureau, were named deputy executive directors of the KEDO, said the spokesman.

Bosworth is currently president of the U.S.-Japan Foundation.

The three main participants in the consortium tasked with providing two light-water nuclear reactors to North Korea have agreed that the head of the executive board of the KEDO will be an American and his two deputies will be a South Korean and Japanese at the time of KEDO's establishment.

The three countries, however, left room for the KEDO top post to be taken over by officials from countries other than the United States after the first two-year term expires.

Australia, New Zealand Pledge Funds to KEDO

SK2003034995 Seoul YONHAP in English 0248 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—Australia and New Zealand have committed themselves to contribute 5 million U.S. dollars and 325,000 dollars, respectively, to the Korean Peninsula Energy Development Organization (KEDO), Choe Tong-chin, a member of the KEDO Executive Board, disclosed Monday.

KEDO is a recently inaugurated international consortium tasked with financing and overseeing the construction of light-water nuclear reactors in North Korea to be provided in return for the freezing of its suspect nuclear development program.

In an interview with the KUKCHONG SINMUN, a weekly published by the Information Ministry, printed in its latest issue distributed Monday, Choe, concurrently chief of South Korea's Office of Planning for the Light-Water Reactor Project, "I think there will be no problem whatsoever as Australia and New Zealand as well as South Korea, the United States and Japan have promised to make financial contributions."

Asked about what countermeasures will be taken if North Korea scraps its nuclear agreed framework with the United States, Choe said, "grave consequences would ensue... The issue would be again referred to the United Nations Security Council and there would be immediate sanctions from South Korea, the United States and Japan."

As for the timing of KEDO's signing a nuclear reactor supply contract with North Korea, Choe said April 21 is a target date, not a deadline, explaining, "the Geneva agreed framework stipulates that the United States shall make utmost efforts to conclude a light- water nuclear reactor supply contract with North Korea within six months following the signing of the agreement."

The agreement was signed last Oct. 21 in Geneva.

"It is unreasonable for the North to assert that April 21 is a deadline, while threatening to scrap the agreed framework," he said.

With respect to KEDO's future, Choe claimed, "a considerably large number of countries have expressed sympathy with KEDO's objectives and its international significance. As more countries subscribe to it in the future, a multinational cooperation setup will be laid."

Aid Donors for Cambodia Meet in Paris

OW1403133795 Tokyo KYODO in English 1316 GMT 14 Mar 95

[FBIS Transcribed Text] Paris, March 14 KYODO—Member countries of the International Committee for the Reconstruction of Cambodia began a two-day meeting in Paris on Tuesday [14 March], their third since the committee's inception.

Cambodian First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen are attending the meeting.

The formation of the committee was an outcome of a United Nations peace accord brokered between the four rival factions in Cambodia and signed in Paris in 1991.

At its first two meetings, some 1.5 billion dollars were pledged toward Cambodia's reconstruction. But since much of the money has yet to be implemented because of inadequacies in arrangements on the Cambodian side, new aid appears to be less forthcoming.

Japan is the major donor on the committee which is chaired by Hakuo Yanagisawa, the country's parliamentary vice foreign minister.

Representatives of international human rights groups are also in Paris to lobby those at the meeting over what they say are human rights violations by Cambodian Government troops and government misappropriations of aid money.

Burma Admitted to Indochina Market Reform Group

BK1703111395 Bangkok BANGKOK POST in English 16 Mar 95 p 7

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] Burma has been admitted officially to a working group set up by Japan and the Association of Southeast Asian Nations (ASEAN) to help Indochina undertake market reform.

The AEM [ASEAN economic ministers]-MITI Working Group, set up at the annual meeting of the ASEAN economic ministers and Japan's Ministry of International Trade and Industry (MITI) last September in Chiang Mai, held its first meeting Tuesday and yesterday, with Burma attending as a full member.

The original proposal was to include Burma, but due to political sensitivities of Rangoon's human rights record, it was decided to leave Burma out.

Deputy Prime Minister Suphachai Phanitchaphak, who chaired the meeting, told reporters yesterday that ASEAN and MITI agreed to bring in Burma, in accordance with an original plan proposed by Thailand.

He said the meeting aimed to determine a macroeconomic framework for the four countries.

It was attended by ministerial and other high-level officials, and the private sector from the six ASEAN countries, Cambodia, Laos, Vietnam and Burma.

Representatives from Indochina include Cambodian Minister of Commerce Cham Prasit, Laos' Vice Governor of the State Bank Madame Pani Yathotou, Vietnam's Vice Minister of Trade Nguyen Xuan Quang, and Burma's Ministry of National Planning and Economic Development.

Adviser to Dr Suphachai, Tirana Phongmakhaphat, said Japan changed its position towards Burma, allowing ASEAN to call for its late inclusion.

Japan is preparing an assistance package for Burma. The change came after ASEAN's constructive engagement policy gained international recognition.

Dr Suphachai said the working group will be informal and open for comments from every country so the final report will represent all sides—ASEAN, Japan, Indochina and Burma, both government and private sectors.

He also said the group wanted to help the four countries outline macroeconomic policies to raise their economies to international standards.

Areas to be considered include finance and monetary policies and whether investment regulations were appropriate, whether they could cause problems to their economies, or discourage foreign investment, he said.

"We (Thailand) think that the four countries can make the transition from a centrally-planned economy to a market-driven economy with the help of regional groupings like ASEAN. So we must help them," said Dr Suphachai.

He said Japan wanted to see the four countries make a transition as quickly as possible.

Dr Suphachai said the group will prioritise the most important projects to be carried out in those countries.

It will not initiate new projects but will examine projects being studied by the Asian Development Bank (ADB), ASEAN and the united Nations.

ADB projects are mainly for infrastructure and energy development while those by ASEAN are directed towards social, human resource and international relations development.

The group will compile a report for adoption at this year's annual meeting of the ASEAN economic ministers and MITI in Brunei in September.

Dr Suphachai said if some projects need to be implemented urgently, the group would seek cooperation from Japan to extend funding, "but first we need to identify the projects."

Japan Suggests Expanded ASEAN Economic Meet

BK1703120395 Bangkok BANGKOK POST in English 16 Mar 95 p 28

[FBIS Transcribed Text] Japan has suggested that Thailand invite Australia and New Zealand to the upcoming meeting of ASEAN countries instead of inviting just the three countries which are targeted members of the East Asia Economic Caucus (EAEC).

Deputy Prime Minister Suphachai Phanitchaphak, who will be chairman of the ASEAN Economic Ministers meeting in Phuket next month, said Japan suggested Thailand invite ministers from Australia and New Zealand to participate instead of only involving Japan, South Korea and China.

In 1990, Malaysia had proposed the EAEC serve as an economic forum for nine Asian countries under the umbrella of Asia Pacific Economic Cooperation (APEC), but this plan was blocked by Japan which argued it would merely duplicate APEC.

Thailand, which wanted to remain impartial in the debate, suggested an informal meeting be held which included the six ASEAN ministers plus three targeted ministers from Japan, South Korea and China.

Japan and Malaysia have continued to debate whether the EAEC should be discussed at this upcoming economic ministers meeting.

However, Mr Suphachai said he needed to ask all ASEAN members—Brunei, Indonesia, Malaysia, the

Philippines and Singapore—whether they agree with the Japanese proposal to include Australia and New Zealand at the meeting.

"I personally want to see a meeting of six plus five that includes Australia and New Zealand," Mr Suphachai said.

Australia and New Zealand would like to forge links with the ASEAN Free Trade Area (AFTA) through their economic cooperation under Closer Economic Relation (CER).

ASEAN economic ministers plan to discuss stronger economic cooperation in the future and to prepare the issues which will be discussed by their leaders at the summit meeting to be held in December in Bangkok.

The economic ministers had agreed to expand coverage of AFTA's tariff reduction program to include agricultural products, but each member will have the right to reserve sensitive products from tariff cuts.

A senior economist from the Agriculture and Cooperative Ministry said Thailand would like to separate coffee, tea, cut flowers, coconuts and potatoes from the list because Thailand may not be able to compete with other ASEAN products in these areas.

The economist pointed out that Indonesia had more comparative advantage than Thailand in the production of coffee, tea and potatoes, while Malaysia had a comparative advantage in cut flowers and the Philippines in coconuts.

ASEAN Ministers Voice 'Concern' on Spratlys

BK1903143295 Bangkok THE SUNDAY NATION in English 19 Mar 95 p A 1

[FBIS Transcribed Text] ASEAN foreign ministers yesterday issued a strongly-worded statement expressing concern about recent tension between China and Philippines over the Spratly Islands and called for an early solution to the problem.

"We, the Asean foreign ministers, express our serious concern over recent developments which affect peace and stability in the South China Sea," read the statement released in Singapore yesterday.

The statement, issued by senior Asean officials at the end of a two-day informal gathering to discuss preparations for the second Asean Regional Forum, was the first official mention of the conflict since the 1992 Manila Declaration.

It comes on the eve of scheduled talks between Manila and Beijing called to work out a solution to the long-standing dispute.

The ministers urged all parties concerned to remain faithful to the letter and spirit of Asean's Manila Declaration on the South China Sea.

The declaration urged the use of peaceful means to resolve conflicting claims to islands in the South China Sea and asked all parties to refrain from taking action that could worsen the situation.

"We therefore call upon all parties to refrain from taking actions that destabilize the region and further threaten the peace and security of the South China Sea. We specifically call for an early resolution of the problems caused by recent developments in Mischief Reef," the statement read in part.

Mischief Reef is one of the tiny but potentially oil-rich Spratly Islands, ownership of which is claimed by six Asian countries.

The Philippines, Malaysia and Brunei are among the six states which have laid partial or complete claim to the string of atolls in the South China Sea which includes the Spratlys. Taiwan and Vietnam have already endorsed the Asean declaration, leaving China as the only claimant not to have done so.

Last month, the Philippines claimed that China had occupied Mischief Reef, and announced it was dispatching troops to the area. Last week, however, China said it had only built what it described as "shelters for (Chinese) fishermen" on the atoll.

The foreign ministers called on all claimants as well as other countries in Southeast Asia to take part in activities which would increase trust and confidence and promote stability in the region.

They suggested that the issue should be addressed in a forum like the Indonesia-sponsored series of workshops on Managing Potential Conflicts in the South China Sea.

According to an Asean source, the foreign ministers' statement will provide a strong back-up for Filipino negotiators when they meet their Chinese counterparts for today's talks in Beijing.

The statement was drafted by senior officials after a request by Manila was reluctantly acceded to by Asean ministers, the source said, adding that the situation in the South China Sea was discussed at some length during the two-day meet in Singapore.

The dispute over the Spratlys is also sure to be raised during the first talks between China and Asean members due to be held in Hangzhou province from April 24, the source added.

China has made it clear that it wants to use a bilateral approach to settle the South China Sea conflict.

According to the same source, the Thai government does not wish to be seen to be treating China's claims in an inconsiderate manner and prefers to await the outcome of the Beijing talks before taking any stance on the issue.

The Beijing talks will coincide with an official visit by Foreign Minister Krasae Chanawong to the Chinese capital from today until Tuesday.

Japan

Chemical Strikes Tokyo Subway Commuters

Chemical 'Sarin' Suspected

OW2003054795 Tokyo NHK General Television Network in Japanese 0300 GMT 20 Mar 95

[Announcer-read report over video; from "NHK News" program; passages within quotation marks recorded]

[FBIS Translated Text] Trains and platforms involving 16 subway stations on Tokyo Hibiya and Marunouchi lines were this morning filled with a foul odor. So far, five people have died and about 550 passengers, including station staff, have been taken ill.

According to the Tokyo Metropolitan Police Agency, the chemical used appears to be highly toxic sarin, and they are working on the assumption that someone placed a container of sarin on a platform in an act of indiscriminate murder.

The agency said it had started a full investigation.

Soon after 8 A.M. this morning, at total 16 stations and platform of Hibiya and Marunouchi subway lines, commuters were stricken by strange odor, and many of them complained of ill-feeling. According to the Tokyo Fire Agency, and the Metropolitan Police Agency, all together more than 550 people have complained of feeling ill and have been taken to hospitals or treated at stations. Of them, five people have already died.

Those who died are: Mr. Eiji Waga aged 29, who was carried from Kodenma-machi Station to the nearest hospital; Mr. Kazumasa Takahashi, Kasumigaseki station staff member aged 50, who was carried to the Hibiya Hospital from the Kasumigaseki Station; Ms. Takako Iwata, 32, who was carried to the Seiroka International Hospital. The names of the other two people died are not yet known.

More than 10 people are in comas. The police agency feel that some toxic substance have been scattered on the platforms. As a result of investigations of personal belongings found in the stations, a chemical with similar properties to sarin has been identified.

The police agency and observers said that toxic substance seemed to have leaked from what seems to have been a lunch box wrapped up in newspaper.

Working on the assumption that somebody left the box on the station platform with the aim of killing indiscriminately, police have started investigating who might have been involved in the incident.

Meanwhile, the National Policy Agency [NPA] at 9 A.M. established an investigation unit comprising the Criminal Investigation Bureau and the Security Bureau to look into the incident. It has issued warnings people to be cautious at all transportation facilities or public meeting places, and advised them not to touch any strange objects they might find.

At request of the NPA, the Defense Agency [DA] has dispatched six doctors and six nurses from the Self-Defense Forces to three hospitals, including the Police Hospital, to help in the treatment of victims. The DA is gathering 140 Ground SDF members specialized in dealing with toxic substances, and 15 special vehicles used in their removal. Based at Ichigaya base in Shinjuku, the SDF is getting them ready to help investigate the incident and remove toxic substances.

We now have this report from the NPA investigation headquarters.

[Unidentified NHK reporter] "I have obtained information that another person has died, making a total of six who have been killed in the incident. His identity has not yet been released.

"According to Tokyo Fire Station, the number of the victims carried to hospitals from the 16 stations involved has reached more than 550.

"Among them, more than 10 people are in comas and listed in serious condition. At Tsukiji station, more than 100 people have been taken to hospital and have been treated.

"At an NPA news conference it was said the chemical used in the incident is now under investigation, but that it is strongly suspected to be the highly toxic substance sarin, which was developed by Nazi Germany during World War II.

"The NPA believes this was the work of a criminal who wanted to kill people indiscriminately, and a full-scale investigation is to begin.

"According to investigations so far, the events started a little after eight o'clock this morning, during the rush hour, when a large number of commuters complained of pain in their eyes and a feeling nauseous. Many, calling for help, fell to the platform. The first report of the incident said that at Tsukiji Station on the Hibiya Line, eight people had collapsed.

"Similar reports started coming in from the other 15 stations involved on the Hibiya and the Marunouchi lines, all linked to the presence of the strange odor. Large numbers of people complained of nausea and pain in their eyes.

"It has been reported that boxes were found wrapped in newspaper, and it seems toxic liquid leaked from those boxes. Afterwards many people started to complain of feeling unwell. The Metropolitan Police Office is continuing its investigation of the case working on the assumption that sarin or some similar substance was released from the boxes. This report from the press center of the NPA incident headquarters."

Prime Minister Tomiichi Murayama this morning spoke about the incident, saying he had given instructions to the police to take every effort to prevent a recurrence.

[Chief Cabinet Secretary Igarashi] "The prime minister issued an instruction to police to do their best to prevent a recurrence of the incident."

Igarashi added: The authorities have not found any cause yet. Although it is not clear, judging from the details, we do not think this was an accident or the action of a crank. It is very important to find out exactly what happened.

Murayama Orders Investigation

OW2003032095 Tokyo KYODO in English 0310 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Prime Minister Tomiichi Murayama ordered an all-out rescue and relief effort in a subway poisoning case which killed 6 people and affected over 500 others Monday morning [20 March], Chief Cabinet Secretary Kozo Igarashi said.

Igarashi said the government will thoroughly investigate the case as it was an attack against the public.

The National Police Agency and Transport Minister Shizuka Kamei separtately ordered increased security at public transportation facilities nationwide including railways, air and maritime services, government officials said.

Auto Trade Talks Said Likely To Resume in Mar

OW2003073395 Tokyo KYODO in English 0722 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Japan will likely resume auto trade talks with the United States this month, a senior official at the Ministry of International Trade and Industry (MITI) said Monday [20 March].

Japan conveyed its readiness to restart the stalled talks "in the not-so-distant-future" in a personal letter sent recently from MITI chief Ryutaro Hashimoto to U.S. Trade Representative Mickey Kantor, Vice MITI Minister Tomio Tsutsumi told a news conference.

On specific timing for the talks, Tsutsumi said, "we are not excluding the possibility of this month."

Tsutsumi confirmed MITI recently received a letter from Kantor that called for an early reopening of the auto trade talks.

MITI chief Hashimoto returned a letter Friday, expressing Japan's preparedness to resume the negotiations in line with four conditions Tokyo and Washington previously agreed to honor in bilateral auto talks, Tsutsumi said.

But Tsutsumi would not disclose further details of Hashimoto's letter. "We have made some comments on Kantor's letter," he said.

Tsutsumi avoided evaluating the tone of the U.S. trade stance shown in Kantor's letter.

Some newspaper reports said in his letter Kantor voiced "a harsher-than-before stance" against Tokyo by showing Washington's willingness to resort to punitive measures if no compromise is made by Japan in the near future.

Tsutsumi said he has never heard about reported U.S. moves on sanctions, including a possible release of a list naming Japanese industrial sectors that are subject to sanctions under section 301 of the 1974 U.S. law.

The four conditions accepted by Japan and the U.S. include the rejection of "numerical targets" as a gauge to assess progress in opening the Japanese market and the Japanese Government playing no role in Japanese carmakers' foreign auto purchase plans.

At the beginning of last October, ministerial-level auto trade talks between the two countries broke down, prompting Washington to initiate a probe into that area of trade in line with its retaliatory Section 301 provision.

The negotiations, part of the bilateral "framework" talks, resumed in January after the U.S. agreed to respect the four conditions.

But the talks did not lead to an improvement in American access to Japan's auto repair parts and finished auto markets, leaving both parties reluctant to return to the negotiating table.

Recently, Washington reportedly moved up the Section 301 deadline for auto trade with Japan to the end of April 30 from Sept. 30., an action widely seen as a toughening of policy on the part of Kantor. The auto issue is the only pending issue among the four priority framework sectors.

Tsutsumi reiterated Japan's stance that it will file a complaint with the World Trade Organization if Washington turns to Section 301 on the issue.

"Our policy stance on the issue remains unchanged," Tsutsumi said. "There is no need for us to comment further before Washington makes a new move."

MITI Stance Unchanged

OW1903183395 Tokyo ASAHI SHIMBUN in Japanese 19 Mar 95 Morning Edition p 9

[By Hiroaki Ito]

[FBIS Translated Text] Washington, 18 Mar—In connection with talks on auto and auto parts under the new Japan-U.S. Economic Consultations, the U.S. Government has indicated to the Japanese Government its intention "to impose sanctions in case of failure in arriving at an early settlement." According to a source close to the U.S. Congres, behind this decision to shift to a hardline stance lies the fact that in its talks with China on protection of Intellectual Property Rights, "the U.S. Government has succeeded in its strategy of using sanctions as 'leverage'." So far, officials of the Department of Commerce have played a leading role in the negotiations. However, with U.S. Trade Representative (USTR) Mickey Kantor appearing on the stage, it seems most certain that Japan will have to deal with more rigid negotiations.

United States Hints at Sanctions in Auto Talks, Adopting Strategy of Shaking Up Japan

In its negotiations with China, the USTR's office (with Kantor as representative) announced a list of import items, on which sanctions amounting to a total of $1.08 billion (the largest amount so far) will be imposed. The negotiations were carried on backed by this list. As a result, the two governments arrived at a pact on 26 February, with the Chinese Government agreeing to shut down factories engaged in producing pirated versions of compact discs (CDs) and computer software.

It was U.S. manufacturers and those congressmen supported by manufacturers who have come to taste the benefits of success in this case. On 2 March, four days following the pact, a total of 96 congressmen from both houses submitted a message to President Bill Clinton demanding that "the deadline for sanctions in the auto and auto parts sectors be moved up to the end of March." USTR officials have also stated their view that "to break the deadlock, it will be necessary to have stronger leverage so that Japan will feel some pressure."

In the United States, the auto industry has so far enjoyed favorable conditions. Of late, however, domestic sales have somewhat decreased. Under such circumstances, pressure has been imposed on both congressmen and the government.

Moreover, the Japanese Government released an interim report on its 5-year deregulation program on 10 March but, according to a senior U.S. Government official, "no progress at all was made" in the deregulation of auto replacement parts, to which the U.S. Government attaches its greatest attention. This must have triggered the U.S. Government's decision to shift its stance.

What is noteworthy in this case is that U.S. Trade Representative Kantor has informed Japanese Ambassador Takakazu Kuriyama of the U.S. Government's intention. In fact, Commerce Department Under-Secretary Jeffrey Garten has so far been in charge of auto talks. Therefore, it can be taken as a sign that the leading role is now gradually shifting to the USTR. From now on, it is most likely that talks will be carried on with the USTR-type "sanctions" as a leverage.

The National Economic Council (NEC), which is composed of cabinet members in charge of economic affairs, held a session in early March. Reportedly, while USTR and other officials insisted on taking a hardline position, some officials argued strongly that caution should be taken so that a decision will be made on the basis of the approach taken by the Japanese side. And, by indicating that preparations are now underway for making up a list of items on which sanctions will be imposed, it seems likely that the U.S. Government is attempting to shake up the Japanese Government.

Once the U.S. Government unilaterally decides to impose sanctions, its decision, depending on the sanctions' details, may could violate an agreement of the World Trade Organization (WTO). And it will have serious impact on U.S. industries, which depend on Japan for imports of basic parts. As soon as a list of sanctions was announced in talks with China, mass media in the United States unanimously reported concerns over the possible rise in prices of commodities imported from China such as toys and clothing items. And it has been voiced that "sanctions seem impossible, even viewed from the political standpoint."

As far as the Japanese Government is concerned, it will be necessary to indicate once again to the U.S. Government its stance on the issue of sanctions. At the same time, it will probably have to carry out the urgent task of strengthening its deregulation program, which has been criticized by various countries for "lack of substance."

Japan Planning No Shift in Its Stance on Parts Procurement Issue

Even if the U.S. Government is inclined toward taking a hardline stance, the Japanese Ministry of International Trade and Industry [MITI], as well as Japanese auto industrial circles, intend to attend future auto consultations without changing their original principle that subjects for governmental negotiations should be limited to those issues that specifically come under government jurisdiction.

When the talks were resumed last January after a four month hiatus, it was confirmed that the issue of setting up numerical targets, as well as those issues not under government jurisdiction, will not be brought up as subjects for negotiation. Therefore, it has been agreed that such issues as increasing imports of foreign-made parts (as listed in the procurement program worked out independently by auto makers) will not be brought up for negotiation.

In the past, the Japanese Government was forced to make repeated concessions because of the threat of sanctions or attempts to shake up the Japanese side. However, the Japanese Government has stressed on several occasions that "no more such concessions will be made," and stated its hope that "the U.S. Government will not misunderstand its intentions." With regard to the current U.S. plan for taking a hardline stance, the Japanese Government maintains that "it is a plan of the USTR rather than of the U.S. Government," (as stated by a senior MITI official). In this way, the plan is taken calmly as part of the U.S. strategy in conducting negotiations.

And auto industrial circles have not changed their stance regarding the procurement of parts; they view it as a business issue which should be settled by the private sector.

Business talks were held in Indianapolis from 6 to 8 March under the joint sponsorship of Japanese and U.S. auto parts industrial associations. A large number of U.S. parts makers are known in Japan as so-called "secondary makers" which supply products to primary makers. Business talks were held with the hope that expansion of transactions with Japanese primary makers, such as Koito Manufacturing Co. Ltd. and Nippondenso, will lead to an increase of parts procurement by Japanese-affiliated auto makers.

MITI also maintains that "while governments are engaged in bilateral consultations, steady progress is being made in actual business transactions."

MOF on Copyright Infringements by Imports

OW1703123595 Tokyo KYODO in English 1037 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The Ministry of Finance [MOF] said Friday [17 March] that in 1994 it suspended 795 cases of imports which violated trademarks and intellectual property rights—a rise of 25.4 percent from 1993.

In terms of the number of goods, the ministry did not allow the import of 1,191,000 units during the year, up a hefty 73.5 percent, it said.

Of the total, 245,000 bags of 315 cases and 445,000 items of clothing of 299 cases were prevented from entering Japan.

By nation, South Korea topped the list with 422 cases, followed by Hong Kong's 104 and Taiwan's 64.

Ministry officials said the total number of suspended imports rose last year as the ministry has been reviewing import examination criteria from the viewpoint of protecting intellectual property rights.

Murayama To Add Deregulatory Steps to Report

OW2003120595 Tokyo KYODO in English 1158 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Prime Minister Tomiichi Murayama on Monday [20 March] expressed his readiness to add some more steps to a final list of deregulatory measures the government will compile by the end of March, government officials said.

"I would like to meet expectations (for more deregulatory steps) from both domestic and foreign parties," Murayama was quoted as telling Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren).

Murayama was responding to Toyoda's call for the strengthening of the contents of a promised five-year action plan on deregulation. Toyoda made the appeal during talks with Murayama at the premier's official residence.

Murayama was quoted as telling Toyoda, "The five-year program in its present form is not complete and will be reviewed each year."

"It will become an effective program if we weave more necessary measures into it and have the Administrative Reform Committee work on them," Murayama said.

Toyoda urged Murayama to spell out, in the final report, specific timetables for implementation of deregulations unveiled in an interim report earlier this month.

Toyoda also called on the premier to lift a ban on the establishment in Japan of holding companies along with other deregulatory steps.

Deputy Chief Cabinet Secretary Hiroyuki Sonoda, present at the meeting, hinted that deregulatory steps in the interim report might be enhanced by the time a final report is compiled, saying, "the interim report in its current form will not be used as the final report without modifications."

Panel Undecided on Deregulating Holding Firms

OW2003115995 Tokyo KYODO in English 1049 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—A ruling coalition panel on administrative reforms failed to reach a decision Monday [20 March] on whether to decontrol holding companies and some other pending issues, officials said.

The administrative reform project team held an open hearing on the deregulation of holding companies, a focal issue in a five-year decontrol program to be prepared by the government this month, they said.

Other issues discussed Monday included the introduction of a price cap system for rail and telephone services and establishment of self-service gas stations, the officials said.

Present at the session were officials from the Ministry of International Trade and Industry, the Fair Trade Commission and other government ministries and agencies as well as representatives from the economic community, including the Federation of Economic Organizations (Keidanren).

The MITI and Keidanren called for removal of a ban on holding companies but the FTC opposed the deregulation, claiming it would help a company control the market and disrupt the market mechanism, they said.

The Home Affairs Ministry was reluctant to introduce self-service gas stations for safety reasons, the officials said.

They said the ministry reiterated its plan to set up a study group within fiscal 1995 to review the matter over about two years.

The Transport Ministry promised to come up with a decision this summer on the introduction of the price cap system, the officials said.

Government Urged To Narrow 'Price Gaps'

OW1703101595 Tokyo KYODO in English 0950 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The ruling coalition's project team in charge of economic policy on Friday [17 March] worked out a report calling on the government to implement action programs to cut price gaps between Japan and overseas, coalition officials said.

The report will be submitted to the government on March 24, they said.

To cut price gaps, import restrictions and various other restrictions should be eliminated, the report said.

It said action programs should be worked out for individual sectors such as housing, energy, food and telecommunications to reduce prices and charges by fiscal 2000.

Housing cost, for example, should be cut to two-thirds the present level, the report said.

U.S. Wants More Financial Support for Bases

OW1903111595 Tokyo KYODO in English 1023 GMT 19 Mar 95

[FBIS Transcribed Text] Washington, March 19 KYODO—The United States has demanded that Japan shoulder additional military expenses, such as the repair costs of warships and aircraft, during talks to set a new bilateral accord on Japanese spending for U.S. bases, informed sources said Sunday [19 March].

The present five-year bilateral agreement, under which Japan has subsidized U.S. Forces stationed on its territory since 1991, will expire in March 1996. The latest demand was made during negotiations to revise the accord, the sources said.

The demand also covers such additional costs as the conducting of night flight drills from an aircraft carrier near the Pacific island of Iwo Jima, as well as the cost of communications among the U.S. bases in Japan, the sources said.

Since the withdrawal of a U.S. base from the Philippines in 1992, the U.S. has given increased importance to Japan's role as a supply base for wide areas of operations ranging from the Pacific Ocean to the Persian Gulf.

The Japanese Government, however, has so far rebuffed the request due to its view that the U.S. itself should shoulder the costs of operating U.S. bases in Japan, the sources said.

Japan can basically accept the present level of support in revising the accord, but it is difficult to accept the new demand, based on the Japan-U.S. Status-of-Forces Agreement that requires the U.S. to cover the expenses of personnel and management, the sources said.

Under the present bilateral accord, Japan helps the U.S. with so-called "sympathy" budgets by which it pays for goods and services, along with the salaries of Japanese workers at U.S. bases and utilities expenses such as lighting and fuel.

In fiscal 1993, the payment of such subsidies to the U.S. military totaled 228.5 billion yen, more than half the necessary cost of maintaining the U.S. Forces stationed in Japan.

The 4,723.6 billion yen defense budget proposal for fiscal 1995, starting April 1, allocates a 7.8 percent increase to 274.3 billion yen to support the U.S. Forces in Japan, including a 14.0 percent rise to 142.7 billion yen for Japanese personnel costs and a 32.4 percent rise to 30.5 billion yen for such expenses as light, heating and water.

Behind the additional demand, the sources point out, is the U.S. Government's high regard for Japanese repair technology which, according to a recent U.S. report, was proven during the Gulf War in 1991.

Also, to cope with complaints by Japanese residents against night air drills at Atsugi Base in Kanagawa Prefecture, south of Tokyo, the U.S. has shifted part of the training to Iwo Jima Island until a new drill airfield can be built on Miyake Island off the Japanese Pacific coast.

The present five-year special accord, based on the Japan-U.S. Status-of-Forces Agreement, was signed and became effective in 1991.

'Only Structural Changes' To Help Dollar

OW2003023595 Tokyo KYODO in English 0209 GMT 20 Mar 95

[FBIS Transcribed Excerpt] Tokyo, March 20 KYODO—With the Bank of Japan (BOJ) unable to halt the dollar's slide to fresh postwar lows, dealers said Monday [20 March] only structural changes can help the U.S. currency. The central bank was reportedly selling yen to prop up the dollar but it could not turn the tide, dealers said.

The immediate cause was the impression of disunity among leading industrial nations, but behind the trend were such stubborn structural worries as the U.S. trade and budget deficits, said a dealer at a big commercial bank.

Dealers were watching the central bank's response in the markets but said they could not guess how far the dollar will slide this time. The dollar moved between a new low of 88.65 yen and 88.45 yen by 10 a.m. in Tokyo after dropping in New Zealand morning deals below the previous global low of 88.75 yen set March 8 in Tokyo. The dollar was quoted late Friday at 89.10-20 yen in New York, 89.20-30 yen in London and 89.25-28 yen in Tokyo.

As long as the twin U.S. deficits remain, driving capital and confidence out of U.S. currency-based assets, the Japanese central bank's continual interventions will only encourage more dollar-selling, dealers said. [passage omitted]

Reportage on Government Response to Surging Yen

MOF: 'Wait-and-See Stance'

OW2003093995 Tokyo KYODO in English 0904 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Vice Finance Minister Jiro Saito said Monday [20 March] his ministry is taking a wait-and-see stance for the time being on developments in the currency and stock markets.

Saito said at a conference, "We want to consider necessary and appropriate actions after waiting a little longer to see developments."

"I'm a bit relieved to see the yen's setback and the rebound in stock prices during the day...levels are still worrisome, though."

In the Tokyo currency market Monday, the dollar hit a new low of 88.65 yen at one time but recovered to the lower half of the 89 yen level toward the end of the day.

In the Tokyo stock market, the 225-issue key index momentarily fell below the 16,000 line but bounced back above that level at the closing.

Regarding Tokyo Kyodou Bank, which started operations Monday after taking over two failed credit unions, Saito said, "I hope its various business operations will go smoothly."

The bank made a start at last after many complications, Saito said.

Tokyo Kyodou Bank was set up Jan. 13 by the Bank of Japan and private banks to bail out the two Tokyo-based bankrupt credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank.

MITI To Help Small Firms

OW2003114295 Tokyo KYODO in English 1127 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—The Ministry of International Trade and Industry [MITI] plans to extend a program to help small companies overcome the strong yen due to expire at the end of March, ministry officials said Monday [20 March].

The ministry has begun negotiations with the Finance Ministry on the possibility of incorporating an extension of the program in a supplementary budget for fiscal 1995, which begins April 1, the officials said.

The period of extension has yet to be decided, but it will be between three and six months, the officials said.

The program consists of two measures, one to provide operating funds for small enterprises and the other to offer emergency aid to help them overcome the strong yen.

Companies suffering from declining sales are eligible for low-interest loans of up to 40 million yen.

A MITI survey conducted last week showed that none of export-oriented companies said they will be profitable if the yen strengthens to below 90 to the dollar, the officials said.

Busines Leaders on Dealing With Yen

OW1703140995 Tokyo KYODO in English 1246 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The chairman of the Japan Association of Corporate Executives (Keizai Doyukai) on Friday [17 March] supported a proposal for Japanese companies to implement a coordinated hike in export prices to deal with a surge in the yen's value.

Speaking at a news conference, Masaru Hayami expressed support for the proposal recently made by Kazuo Inamori, chairman of the Japanese electronics manufacturer Kyocera Corp. and also chairman of the Kyoto Chamber of Commerce and Industry.

Hayami said the yen's surge provides a good opportunity for Japanese companies to shift to products with higher added value and more competitive edge.

Inamori said export price hikes, by making Japanese exports less competitive in the international market, would contribute to a reduction in Japan's trade surplus and help halt the yen's appreciation.

His proposal has stirred differing views among Japanese business leaders.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, expressed opposition to the proposal, saying smaller industries cannot afford to raise their prices because they lack technical expertise and a competitive edge to justify such raises.

Nissan To Close Zama Plant

OW1803060195 Tokyo KYODO in English 0530 GMT 18 Mar 95

[FBIS Transcribed Text] Tokyo, March 18 KYODO—Nissan Motor Co. will close its car assembly plant in

Zama, southwest of Tokyo, on Wednesday [22 March] because of slumping domestic car sales and a policy of relocating some production plants to overseas, according to company officials.

The yen's steady surge on the foreign exchange market in recent years has forced Nissan and other carmakers to shift to overseas production to cut production costs.

Nissan has already moved the production of its sunny and other subcompacts from Zama, Kanagawa Prefecture, to its Kyushu Plant in Fukuoka Prefecture southern Japan, as part of company-wide efforts to restructure operations, the officials said.

In the past two years after announcing a plan to close the plant, Nissan has transferred about 2,000 workers from Zama to its other plants in Japan.

The yen's recent surge, however, has forced Nissan to announce an additional restructuring program, which calls for reducing its workforce by 7,000 to 8,000 in the next three years.

Bid for UN Security Council Seat Viewed

General Assembly President Comments

OW1603111695 Tokyo KYODO in English 1025 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—All member countries of the United Nations support Japan's bid to become a permanent member of the UN Security Council, the president of the UN General Assembly, Amara Essy, said Thursday [16 March].

Essy told Prime Minister Tomiichi Murayama, however, that the world may not agree to giving additional permanent membership solely to Japan and Germany at the exclusion of other countries, a Foreign Ministry official said.

Essy, the Foreign Minister of Cote d'Ivoire, told Murayama in a 20-minute meeting that he expects Japan to contribute to peace in the world, the official said.

Japan is already playing an important role financially, as well as through Japanese UN staff such as UN High Commissioner for Refugees Sadako Ogata and Yasushi Akashi, head of the UN peacekeeping mission in the former Yugoslavia, he was quoted as saying.

The UN places more emphasis on economic development than military power and that becoming a permanent member of the Security Council does not mean the country has to engage in war, Essy was quoted as telling Murayama.

Essy, in Japan since Wednesday for a four-day stay, will hold talks with Foreign Minister Yohei Kono later in the day.

After wrapping up the Japan trip, he is scheduled to tour South Korea, the Philippines, Malaysia and Singapore.

Ukraine To Support Tokyo

OW1903030895 Tokyo KYODO in English 0214 GMT 19 Mar 95

[FBIS Transcribed Text] Moscow, March 19 KYODO—Ukraine will express support for Japan's bid to become a permanent member of the UN Security Council in a joint statement to be issued by the two countries later this week, according to the draft of the document obtained by KYODO NEWS SERVICE.

The statement is scheduled to be released Thursday [24 March] in Tokyo after talks between Ukraine President Leonid Kuchma and Japanese Prime Minister Tomiichi Murayama.

The Kuchma government came to power last summer advocating a pro-Moscow policy, but its support for Japan's Security Council bid appears to distance it from Russia which has taken a cautious stance toward the matter.

The draft statement also says that the two countries confirm their support for an indefinite extension of the Nuclear Nonproliferation Treaty beyond its expiry in 1995.

This suggests a change of policy by the Kuchma government, which has so far taken a negative stance on the treaty's indefinite extension due to lack of progress in talks on nuclear arms reduction between Russia and the United States.

The draft statement also says that Japan and Ukraine will cooperate in coping with the damage caused by the 1986 explosion of one of the reactors at the Chernobyl Nuclear Power Plant in Ukraine.

But Ukraine, citing financial difficulties, has not responded to calls from Japan and other industrial countries for the closure of the Chernobyl plant, and no reference is made to this issue in the joint statement.

Kuchma will visit Japan from Wednesday to Saturday to hold talks with Japanese leaders.

Ministry Backs Indefinite NPT Extension

OW1603144395 Tokyo KYODO in English 1422 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 16 KYODO—Japan will send government officials to some other countries to seek their support for an indefinite extension of the nuclear Nonproliferation Treaty (NPT), a top Foreign Ministry official said Thursday (916 March].

The move comes at a time when supporters of an indefinite extension of the treaty, including the United States, have stepped up their efforts to win backing prior to a conference on the treaty's review to begin April 17 in New York.

The official, who spoke on condition of anonymity, said Foreign Ministry officials will visit some countries to persuade them to back an indefinite extension, but declined to comment on the level of the officials or the names of the countries they will visit.

The 25-year-old treaty aimed at preventing the spread of nuclear weapons commits nonnuclear states never to acquire or produce atomic arms, but permits the existing nuclear powers—Britain, China, France, Russia and the U.S.—to possess them.

The pact has 173 signatories and needs a majority for approval of a renewal.

Various counts indicate that there are not yet enough votes for its indefinite extension. The official said the outlook is not very promising.

Japan failed to win Egypt's backing for an indefinite extension during President Husni Mubarak's visit to Tokyo this week.

Egypt claims it cannot support the move unless Israel joins the treaty.

Israel refuses to join the treaty until it is satisfied that countries such as Iran, Iraq and Libya do not pose a threat to its existence.

Tamazawa Views Leadership Change in Moscow

OW1703130195 Tokyo KYODO in English 1052 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Defense Agency chief Tokuichiro Tamazawa expressed concern Friday [17 March] about a possible change in the Russian leadership, saying it could make Russia an aggressive nation.

"We must take into account the possibility of Russia becoming an unstable factor if an aggressive leadership takes power in militarily strong Russia," he told a House of Councillors panel.

Assessing the post-Cold War military situation, the Defense Agency director general pointed out that the international situation is heading toward instability because regional conflicts are in an expansionary phase.

In speaking of regional conflicts, Tamazawa pointed to the dispute over the oil-rich Spratly islands in the South China Sea, which are claimed in whole or part by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

Tamazawa said Japan should contribute to resolving the dispute over the islands with a proposal for joint development so that all countries concerned can share the benefits.

Tokyo, Moscow Agree to Larger Salmon Catches

OW1703143395 Tokyo KYODO in English 1331 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Japan and Russia have agreed to raise the limit on Japanese catches within Japan's 200-mile waters of salmon spawned in Russian rivers to 5,123 tons this year from 4,819 tons last year, the Fisheries Agency said Friday [17 March].

Officials noted that this is the first time in three years that the limit has been raised, reflecting an improvement in the condition of salmon resources due mainly to increased stocking.

Negotiations had been under way in Moscow since March 6.

The new ceiling comprises 4,722 tons of pink salmon, up from 4,418 tons, and 401 tons of chum salmon, the same as last year.

Of the total, 3,748 tons is to be taken from Pacific waters, up from 3,444 tons, and the balance from the Sea of Japan.

Japan will pay 759 million yen by way of cooperation with Russia in the conservation of salmon resources, or the same as last year.

The quota for catches by Japanese fishing boats within Russia's 200-mile waters this year has been set at 14,000 tons, the same as last year, the officials said.

Definite terms for Japanese fishing in the waters will be determined through negotiations between the Russian Fisheries Ministry and the Japanese Salmon Fisheries Organization.

Northern waters salmon catch quotas have been determined through annual negotiations between Japan and Russia under a bilateral cooperation agreement concluded in 1985.

DPRK Said Flexible on Talks With Tokyo

OW2003050895 Tokyo YOMIURI SHIMBUN in Japanese 18 Mar 95 Morning Edition p 2

[FBIS Translated Text] Yukio Hatoyama, representative secretary of the ruling Sakigake [Harbinger Party], met with Kim Tae-hi, chief of the International Bureau of the General Association of Korean Residents in Japan [Chongnyon], at party headquarters on the afternoon of 17 March to exchange views on the issue of sending a joint delegation of the three ruling parties to Pyongyang. The ruling Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] are at odds over the handling of a "three-party joint declaration" that was issued by the LDP, the SDPJ, and the ruling Workers' Party of Korea in North Korea. Raising the discord between the two ruling parties on the handling of the declaration, Kim said: "North Korea is not thinking of scraping or shelving the three-party joint declaration. The declaration still exists as a historical fact. It is good if both North Korea and Japan discuss how to handle the declaration. North Korea wants to discuss open-mindedly Japanese post-war compensation." In this way, the official with the pro-North Korea organization in Japan indicated that North Korea is willing to deal flexibly with the declaration.

As for the timing of sending a joint delegation to Pyongyang, Kim said North Korea is not sticking to a visit to Pyongyang by the joint delegation during March.

Export-Import Bank To Lend Funds for KEDO

OW1903053495 Tokyo KYODO in English 0512 GMT 19 Mar 95

[FBIS Transcribed Text] Tokyo, March 19 KYODO—The government plans to use loans from the Export-Import Bank [EXIM Bank] of Japan in financing an international consortium which will help North Korea build modern nuclear power reactors in exchange for a freeze on its suspect nuclear program, government sources said Sunday [19 March].

In response to Pyongyang's request for interest-free loans, the Foreign Ministry will use its own regular budget to bear the interest burden on the planned loans from the government bank, the sources said, adding that the financing scheme has been worked out jointly with the Finance Ministry.

Japan is expected to cover more than 1 billion dollars of the estimated 4 billion dollar cost of the reactor project which is to be undertaken by the Korean Peninsula Energy Development Organization (KEDO).

KEDO, set up March 9 by the United States, South Korea and Japan, is supposed to conclude a reactor contract with North Korea before April 21 under a nuclear agreement signed last October by Washington and Pyongyang.

None of the three founding members of KEDO has diplomatic ties with the isolated communist country.

The Japanese Government initially considered using its official development assistance (ODA) budget for the KEDO project but abandoned the idea because Japan has never used ODA for nuclear facilities, the sources said.

The idea was dropped also because Japan has a four-point guideline for offering ODA, including the requirement for recipient countries to be democratic, which North Korea is believed to be unable to meet, they said.

The government also abandoned an initial plan to raise funds for KEDO through syndicated lending by the government bank and by commercial banks because the private banks balked at the "too much risk" involved, they added.

The 4 billion dollar funds to be provided by KEDO members will not go directly to North Korea but will be paid to contractors, including South Korea's public electric power company from which KEDO is to order two 1,000-megawatt reactors, the sources said. North Korea is supposed to repay those costs in kind, including by electricity to be generated, as well as in cash.

After KEDO signs a reactor supply contract with North Korea, it will survey the planned construction site for the reactors before determining the final bill for the project and the share of funds each member of KEDO is to contribute.

The proposed lending from the Export-Import Bank of Japan will be in the form of untied loans not linked to purchases of goods and services from Japan, but some reactor parts and related equipment are expected to be ordered from companies in Japan, the U.S. and some other countries.

The KEDO project has hit a snag, however, due to a dispute between the U.S. and North Korea over the type of reactor to be supplied.

North Korea has refused to accept a U.S. offer to supply light-water reactors based on a South Korean standard model and it is feared the two sides may not be able to settle the dispute by the April 21 deadline.

MOFA Officials To Join Delegation to DPRK

OW1803051095 Tokyo SANKEI SHIMBUN in Japanese 16 Mar 95 Morning Edition p 2

[FBIS Translated Text] On 15 March, a senior Ministry of Foreign Affairs [MOFA] official said MOFA would send Yukio Takeuchi, Asian Affairs Bureau councilor, and other officials to the DPRK as part of the coalition's joint delegation, if the ruling parties decide to send the dispatch.

In September 1990, MOFA sent the former Asian Affairs Bureau councilor and Northeast Asia Division chief administrator to the communist country as part of a delegation comprised of the Liberal Democratic Party and the Social Democratic Party of Japan.

Commenting on the fact that the ROK has expressed concern over the delegation's dispatch, the MOFA official also said: "It simply means the ROK wants us to be careful because it believes the North is even taking advantage of the United States." Therefore, in his view, it would not become an obstacle to the dispatch itself.

In discussing the recent food situation in the DPRK, the official noted 1) its provisions are running short despite support from China; and 2) some people think the shortage is caused by the outbreak of insects or the lack of fertilizer. He then disclosed that the DPRK has asked for support from Japan.

Tokyo To Urge Beijing Textile Exports Curb

OW2003150795 Tokyo KYODO in English 1456 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Japan will urge China this week to explain the details of voluntary restraints it imposed on its exports of textile products since January, trade ministry officials said Monday [20 March].

Yoshihiro Sakamoto, vice minister for international affairs of the Ministry of International Trade and Industry (MITI), will press the demand in an upcoming meeting, slated to start in Tokyo on Friday, with Li Guohua, vice minister of the Chinese Ministry of Foreign Trade and Economic Cooperation, the officials said.

The move comes as the ministry prepares to hand down a decision by late April on whether to kick off a formal investigation into Chinese exports of a string of textile products which Japan claims have damaged the interests of Japanese textile makers, they said.

The Japan Spinners Association has asked the ministry to slap an emergency import restriction on burgeoning volumes of Chinese textile products flooding the Japanese market.

The ministry's investigation is a prerequisite for the ministry to invoke the emergency import restriction measure.

In the meeting with the Chinese side, Sakamoto will also urge China to give Japanese companies operating in China a refund of money collected as a value-added tax which was introduced by China early in 1994, they said.

China had vowed to return the tax-related revenue to foreign companies, but later put the refunds on hold, they said.

China announced a plan to impose voluntary restrictions on exports of more than 10 items of textile products such as cotton threads and towels last November, shortly after the ministry sketched out a set of guidelines for invoking emergency import curbs on the items.

However, the contents of the voluntary restrictions have remained ambiguous, irritating the Japanese side, they said.

Through the upcoming meeting with the Chinese side, Japan wants to obtain information on what export curbs China is imposing on each item in question, they added.

Tokyo Extends Grants to Developing Nations

Burma: 1 Billion Yen

OW1903134695 Tokyo KYODO in English 1255 GMT 19 Mar 95

[FBIS Transcribed Text] Yangon [Rangoon], March 19 KYODO—Japan has formally informed Myanmar [Burma] of its decision to extend a grant of 1 billion yen in Official Development Assistance (ODA), diplomatic sources here said Sunday [19 March].

Japanese Ambassador Takashi Tajima conveyed the Japanese Government's decision to Myanmar Foreign Minister Ohn Gyaw on Friday, they said.

The aid will be used to finance the purchase of fertilizers and agricultural machinery to help boost food production for the nation's ethnic minority groups, Japanese officials said.

The decision marked a partial lifting of Japan's freeze on ODA disbursements to Myanmar since the military junta grabbed power in a coup in 1988.

Bangladesh: 7.95 Billion Yen

OW2003070795 Tokyo KYODO in English 0635 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Japan has given Bangladesh a grant of 7.95 billion yen as a debt relief measure, the Foreign Ministry said Monday [20 March].

Japanese and Bangladesh Government officials exchanged notes on the aid in Dhaka earlier in the day, the ministry said.

The relief measure covers debts Bangladesh was to repay Japan by Sept. 30 last year, when the first half of fiscal 1994 ended.

The latest aid brings the total amount of Japanese grants to Bangladesh in fiscal 1994 to 21.59 billion yen.

Angola: 300 Million Yen

OW1703095095 Tokyo KYODO in English 0914 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Japan will give aid of 300 million yen to assist Angola which is suffering serious food shortages due to decades of civil war, the Foreign Ministry said Friday [17 March].

The Japanese aid to the southwestern African nation will be extended through the world food program (WFP), the ministry said.

Japanese Ambassador to Italy Masamichi Hanabusa, and WFP Executive Director Catherine Bertini, exchanged notes on the Japanese aid in Rome earlier in the day.

Although peace has been making progress in Angola since the November 1994 peace accord between the government and antigovernment forces, there are still many people affected by the long civil war who are suffering a serious lack of food, the ministry said.

Ethiopia: 978 Million Yen

OW2003102495 Tokyo KYODO in English 0735 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Japan has offered Ethiopia up to 978 million yen as grant-in-aid to help the country buy machinery for road construction and repair in Addis Ababa, the Foreign Ministry said Monday [20 March].

Japanese and Ethiopian government officials exchanged notes on the aid in the Ethiopian capital earlier in the day, the ministry said.

Tanzania, Morocco Extended Aid

OW2003123495 Tokyo KYODO in English 1103 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Japan has extended grants-in-aid of 794 million yen to Tanzania to improve medical facilities there and 291 million yen to Morocco to be spent on a drinking water project, the Foreign Ministry said Monday [20 March].

Japanese ambassadors to the two African nations separately exchanged notes on the aid with officials in the Tanzanian capital Dar es Salaam and Morocco's capital Rabat earlier in the day, the ministry said.

The grant to Tanzania will be used to purchase new medical equipment at major hospitals in six cities.

The aid to Morocco is for a project to improve water supplies in four regions and 58 villages. The grant, which will be used to purchase equipment such as pumps and generators, will enable Morocco to provide sanitary drinking water to some 56,000 people, the ministry said.

Ministries Disagree on Overseas Japanese Votes

OW2003083495 Tokyo KYODO in English 0801 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Two government departments are at odds over proposed new legislation giving Japanese living overseas the right to vote in elections, government sources said Monday [20 March].

The Home Affairs Ministry wants the Foreign Ministry to allow Japanese to cast votes in elections for both chambers of the Diet at Japanese embassies and consulates around the world, the sources said.

But the Foreign Ministry opposes the plan, saying it would mean extra duties for its employees domestically and overseas, they said.

The Foreign Ministry is proposing that voters should register their vote by mail.

The right to vote is enshrined in the Constitution and the issue is regularly debated in the Diet.

Some overseas Japanese are even moving to bring a suit in court against the state over the issue.

In 1984, the government put legislation to the Diet on the issue, but it lapsed after the House of Representatives was dissolved.

At that stage, the Foreign Ministry was prepared to have its institutions serve as polling stations overseas.

But it has since altered this stand in favor of having votes mailed because it says some overseas Japanese live far away from the nation's embassies or consulates and there are now simply too many Japanese overseas for staff at its missions to cope with, the sources said.

But the Home Affairs Ministry counters that it would not be able to confirm the identity of a voter if the votes are sent in the mail, they added.

Government To Review Opinion Polling System

OW1803093995 Tokyo KYODO in English 0925 GMT 18 Mar 95

[FBIS Transcribed Text] Tokyo, March 18 KYODO—The prime minister's office will overhaul the government's public opinion survey system because a drop in the valid response rate threatens polling accuracy, government sources said Saturday [18 March].

It is the first major overhaul to be undertaken for the government's regular opinion polls.

Government opinion surveys are undertaken by the private sector and used by the office to gain information for the formulation of government policy. Topics are culled from ideas presented by government agencies and ministries.

The sources said key factors in the decision to overhaul the system were the sudden loss of Kobe and nearby areas as a source of pollees because of the destruction wreaked by the Jan. 17 Great Hanshin Earthquake, coming on top of a steady decline in the number of valid responses.

They said the prime minister's office is now considering conducting the polls over 10 days rather than a week.

They said that if pollees are unavailable, the office is also considering having those survey workers revisit homes more than the previous maximum of three times if necessary and even visit on weekends or evenings.

Another measure under consideration is improving the quality of gifts given to pollees for participating.

In order to use the polling budget more effectively, which in the 1994 fiscal year was some 200 million yen, the office is also considering reducing the overall number of surveys each year from the current figure of as many as 20 and spending more on each, the sources said.

Survey workers normally hold face-to-face interviews with between 3,000 and 10,000 ordinary citizens.

The valid response rate has been dropping since the late 1960s and early 1970s, when it peaked at more than 90 percent.

The valid response rate for all four surveys taken this year was below 70 percent.

The sources said reasons cited for the drop in the rate of valid responses is temporary absence from the home by pollees as well as refusal to respond because the surveys are perceived as an invasion of privacy.

While some survey results are not made public, one of two whose results were released March 3 looked at attitudes to personal security and the things which made citizens proud to live in Japan.

The other dealt with attitudes among residents in Okinawa Prefecture to the presence of U.S. Military and Japanese Self-Defense Forces facilities in the prefecture.

Diet Schedules Vote on Fiscal 1995 Budget

OW2003101695 Tokyo KYODO in English 1000 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—The fiscal 1995 state budget will clear the Diet floor Wednesday [22 March] in record postwar speed, as the Jan. 17 quake convinced political parties of the need to bring forward the timing of an infusion of fiscal stimulus for quake-related reconstruction, legislators said Monday.

The previous record was March 27, set for both the fiscal 1977 and 1981 state budgets.

After the expected passage, the parliamentary focus will shift anew to the proposed summoning of a few witnesses to find the causes of the downfalls of two Tokyo-based credit unions,—Tokyo Kyowa Credit Association and Anzen Credit Bank, they said.

The expected passage will also be followed by debate on the appropriate timing of a parliamentary submission of a fiscal 1995 supplementary budget featuring stimulative measures to soften the fallout on the Japanese economy from both the quake and the soaring yen, they said.

The three ruling coalition parties are poised to confront the Finance Ministry on the issue of how to finance the supplementary budget amid tight revenue conditions, they said, adding that the ministry wants to legislate tax hike measures, while the parties want to avoid them prior to nationwide local assembly polls and the House of Councillors poll later this year.

On Wednesday, political parties will put up a final question-and-answer session on the fiscal 1995 budget bill. Following that, a vote will be called on the bill at a plenary session of the upper chamber, they said.

Before the Diet enters a recess in late March, the Diet will question two key witnesses over the collapse of the two credit unions that had prompted Japanese financial authorities to compile a huge official bailout scheme to write off bad loans, they said.

The upper chamber's budget committee is expected to approve Wednesday a proposal to summon on March 29 as sworn witnesses Harunori Takahashi, former president of Tokyo Kyowa Credit Association and Tetsuya Horie, president of the Long-Term Credit Bank of Japan, they added.

NFP's Watanabe Doubts General Elections by Dec

OW1803103795 Tokyo KYODO in English 1003 GMT 18 Mar 95

[FBIS Transcribed Text] Takamatsu, Japan, March 18 KYODO—A senior member of the opposition Shinshinto (New Frontier Party: NFP) on Saturday [18 March] voiced skepticism over the possibility of general elections by the end of the year.

Kozo Watanabe, Shinshinto's acting secretary general, told a press conference that the chances of general elections by the yearend are slim.

"Dissolving the lower house (for general elections) is usually done when important bills fail to pass the Diet. But all important bills will have passed (by the end of the current Diet session)," Watanabe said.

He brushed aside speculation on simultaneous elections for both houses of the Diet—the House of Councillors and the House of Representatives—in July.

"I have sensed no opposition moves to submit a motion of no-confidence in the cabinet, which is needed for the so-called double elections," he said.

The upper house poll is scheduled for July, but elections for the more powerful lower house are not due until 1997, unless the prime minister dissolves the lower house.

Watanabe also hinted at an overture by the Shinshinto to reformist groups within the Social Democratic Party (SDP) [SDPJ], which forms the ruling coalition with the Liberal Democratic Party and New Party Sakigake.

Watanabe earlier attended a meeting to inaugurate Shinshinto's local branch Kagawa Prefecture.

NFP Announces Candidates for National Polls

OW1703141995 Tokyo KYODO in English 1340 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The largest opposition Shinshinto (New Frontier Party: NFP) on Friday [17 March] announced a list of 199 candidates for elections of both houses of the Diet.

Shinshinto officials said the candidates include 140 who will run in single-seat constituencies for a House of Representatives election and 28 who will seek lower house seats via proportional representation.

Of the 140, 108 are incumbents, including Shinshinto leader Toshiki Kaifu who was also mentioned as one of two candidates in the Tokai bloc proportional representation race, and former Prime Ministers Tsutomu Hata and Morihiro Hosokawa.

They said the remaining 31 candidates will compete in the House of Councillors race this summer.

Shinshinto was launched last December with all key noncommunist opposition parties including Shinseito [Japan Renewal Party], Komeito [Clean Government Party], the Democratic Socialist Party and Japan New Party.

Missing from the list are some senior Shinshinto members such as Secretary General Ichiro Ozawa, who is expected to run in the next general election from his native iwate prefecture.

The list reflects the Shinshinto leadership's determination to field winning candidates, according to the party's chief election strategist Keisuke Nakanishi.

But Nakanishi and another senior Shinshinto member Toshio Yamaguchi were not on the party's initial list because of their alleged ties to Harunori Takahashi, former president of Tokyo Kyowa Credit Association which is currently at the center of a widening financial scandal, party sources said.

Hayami Opposes Donations To Political Parties

OW1703144695 Tokyo KYODO in English 1407 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The head of the Japan Association of Corporate Executives (Keizai Doyukai) on Friday [17 march] raised objections to businesses making donations to political parties.

Masaru Hayami commented at a press conference on donation requests made by a fund-raising arm of the Liberal Democratic Party (LDP) to industrial organizations and individual enterprises.

He said the granting of official subsidies to political parties is getting under way.

With the Cold War setup having already collapsed, protection of the capitalist economy is no longer a cause for which the conservative party should fight, Hayami said.

He said business donations to political parties are liable to lead to questionable ties between businesses and politicians.

Hayami called for the abolition of business contributions to political parties in the future.

Murayama Displeased by Dietman's War Remarks

OW1703125495 Tokyo KYODO in English 1059 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Prime Minister Tomiichi Murayama expressed displeasure Friday [17 March] about a ruling party lawmaker's remark that World War II was in self-defense for Japan.

"Without doubt, Japan perpetrated acts of aggression in Asia," the premier told reporters, responding to a question about Former Justice Minister Seisuke Okuno's remark Thursday.

Okuno, a conservative politician of the Liberal Democratic Party (LDP), the dominant force in Murayama's tripartite coalition government, said, "we did not fight Asian people. It is the United States and Britain that waged a war of aggression."

"Japanese were also the victims of brutal acts by invading Soviet troops in the final days of the war in Manchuria (as Japan called northeastern China then) and other areas," Okuno said.

Chief Cabinet Secretary Kozo Igarashi served notice that politicians should be careful about remarks on their historical views, especially concerning Japan's actions in World War II.

As this year marks the 50th anniversary of the war's end, other Asian countries are paying special attention to Japan's stance on its wartime wrongs, he said.

Okuno heads a group of LDP politicians who oppose a proposed Diet resolution repenting for Japan's victimization of other Asian nations during the war and declaring Japan will not wage war again.

Debate Continues on Antiwar Resolution

Draft Wanted for PRC Visit

OW1903084295 Tokyo KYODO in English 0822 GMT 19 Mar 95

[FBIS Transcribed Text] Tokyo, March 19 KYODO—Prime Minister Tomiichi Murayama has urged ruling parties' leaders to finalize the draft of a Diet resolution declaring that Japan will not wage war again, before his planned visit to China in early May, sources close to Murayama said Sunday [19 March].

Among the tripartite ruling coalition Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and the Liberal Democratic Party (LDP) have split over whether the resolution should include some expression of apology to Asian countries invaded by Japan during World War II.

Ahead of his first official trip to China, Murayama is determined to adopt the resolution in the Diet, and has asked LDP chief Yohei Kono and other leaders to promptly resolve the dispute, the sources said.

"If it is necessary, I personally want to make efforts to reach an agreement," Murayama was quoted by the sources as saying.

The ruling parties, which also include the LDP splinter group New Party Sakigake [Harbinger], agreed last year to pass a war-renouncing resolution to commemorate the 50th anniversary of the war's end this year.

But a growing number of conservative LDP members are dead set against the resolution, and their opposition has already sparked criticism from neighboring nations such as South Korea.

Upon the premier's request, the SDP is looking for a way to realize a Diet resolution through a compromise with the LDP, the sources said.

The compromise includes the SDP adopting such policies toward the resolution as attaching more weight to the future rather than the past, avoiding the scenario of the SDP compiling a draft resolution solely on its on, and limiting the draft contents to the realm of statements and Diet remarks on the matter by previous prime ministers, the sources said.

The idea of the SDP resolution is made up three parts—"past, present and future"—and in the part concerning the past, the party calls for Japan's expression of deep repentance and apology for its aggression and colonial rule over other nations, as well as toward its war victims.

But the LDP is very likely to oppose the SDP's reference to the past and the negotiations between the two parties starting Tuesday will not be easy, the sources said.

In the part concerning the future, the SDP points out the importance of settling unresolved problems continuing since the war, securing the various rights of people living in Japan's previous colonies and promoting the ratification of conventions related to human rights, the sources said.

Nakasone Voices Opposition

OW1903112595 Tokyo KYODO in English 0926 GMT 19 Mar 95

[FBIS Transcribed Text] Maebashi, Japan, March 19 KYODO—Former Prime Minister Yasuhiro Nakasone said Sunday [19 March] that he will oppose the government's plan to adopt a war-renouncing resolution at the Diet, criticizing the move as sowing a "seed" to incur demands for war compensation.

At a rally for local elections in his constituency of Maebashi, Gunma Prefecture, Nakasone said, "There are faults on the side of Japan to apologize for, but even if (the Diet) adopts a resolution, it will not get the endorsement of the world. Rather it will sow a seed to incur demands for compensation."

Nakasone made his assertion on the grounds that Japan has already apologized on a number of occasions for its actions during World War II, and for the suffering inflicted on the Asian countries invaded by Japan.

"There are faults on the side of Japan, such as the attacks on Pearl Harbor (in Hawaii), but there were also atomic bombings on Hiroshima and Nagasaki (by the United States). War has numerous aspects," he said, adding that none of the many aspects should be singled out as reason for apology.

Japan's ruling coalition, comprising Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ], the Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger], is agonizing over its attempt to adopt a war-renouncing resolution in the Diet to commemorate the 50th anniversary of the war's end this year.

They have yet to reach accord on whether to incorporate into the resolution clearly stated apologies toward the countries which suffered under Japanese acts of "aggression" during the war.

A growing number of conservative LDP members, as well as some primary opposition Shinshinto (New Frontier Party) members, oppose the resolution. Nakasone is an LDP member.

The controversy has invited criticism from once-colonized countries such as South Korea.

LDP Dietman Criticizes

OW1803103695 Tokyo KYODO in English 1010 GMT 18 Mar 95

[FBIS Transcribed Text] Kagoshima, Japan, March 18 KYODO—A Diet member of the ruling Liberal Democratic Party criticized Saturday [18 March] a planned Diet resolution to commemorate the end of World War II.

Kaname Kamada, member of the Upper House and head of the LDP's chapter in Kagoshima Prefecture in southern Japan, told a local party rally that such a resolution would result in "blurring the distinction between individual and nation."

Pointing to the opium wars that Britain waged against China in the last century, Kamada said Britain "as a country has not apologized although there are individuals who feel like apologizing."

He also said that what historians consider a "war of aggression" has not been clearly defined.

Japan's ruling coalition agreed last year to pass a Diet resolution to commemorate the 50th anniversary of the war's end, but Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [SDPJ] and the LDP have split over whether the resolution should include some expression of apology to Asian countries Japan invaded during the war.

A growing number of conservative LDP members as well as some members of the opposition Shinshinto (New Frontier Party) are dead set against the resolution.

A total of 275 legislators last week formed a league to block the resolution.

Kyodou Bank Operations Off to 'Rocky Start'

OW2003011795 Tokyo KYODO in English 0014 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—Tokyo Kyodou Bank, established especially for the bailout of two collapsed credit unions, got off to a rocky start Monday [20 March] morning. The bank, headquartered in Tokyo's Minato Ward, was formed Jan. 13, with the Bank of Japan providing 20 billion yen and another 152 private entities including banks supplying 20 billion yen.

It took over operations of the two financially troubled credit unions, Tokyo Kyowa Credit Association and Anzen Credit Bank. The collapse of the two unions, both based in Tokyo, stemmed largely from lax management, which has prompted strong criticism of the monetary authorities' plans to use public funding to rescue them. All executives of the two unions resigned while their employees moved to Tokyo Kyodou bank.

Fretting over possible financial turmoil due to the downfall of the two credit unions, the Bank of Japan set up Tokyo Kyodou Bank as its affiliate under Article 25 of the Bank of Japan Law, a measure that was taken for the first time in postwar history.

The rescue plan, announced in December, also called for the Tokyo Metropolitan Government to furnish 30 billion yen in low-interest loans as prefectural governments supervise the nation's credit unions. But public outcry over the plan prompted the Tokyo Metropolitan Assembly to freeze the funding early this month.

Tokyo Kyodou Bank took over a total of about 220 billion yen in loans from Tokyo Kyowa and Anzen Credit Unions, of which about 150 billion yen has become nonperforming.

The bank sells the bad loans to a credit purchasing vehicle, set up in the Tokyo Association of Credit Unions, for about 67 billion yen. The loss stemming from the sale is covered by funds supplied by Deposit Insurance Corp. and private financial institutions. Deposit Insurance Corp. was established in 1971 by the Finance Ministry and the Bank of Japan. It collects money from member financial institutions to secure deposits in emergency cases.

Tokyo Kyodou Bank also took over 33.1 billion yen in deposits from the two credit unions, an amount that is only one third of the total at the end of November. The steep fall in deposits is the result of rapid withdrawals by depositors.

Headed by Hisayasu Noguchi, director general of the Tokyo Metropolitan Government's Labor and Economic Affairs Bureau, the special bank has eight branch offices, with its headquarters located in Anzen Credit Bank's head office.

Credit Unions Set Up To Take Over Bad Loans

OW1703035295 Tokyo KYODO in English 0341 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—A group of 53 credit unions in Tokyo and its vicinity Friday [17 March] decided to establish an organization to take over half of the bad loans extended by two failed credit unions at the center of a growing financial scandal.

The Tokyo Society of Credit Cooperatives endorsed the plan to set up the body at a plenary meeting of deputies from its member credit unions, society officials said.

The body will take over some of the nonperforming loans of Tokyo Kyowa Credit Association and Anzen Credit Bank by way of Tokyo Kyodou bank, a special institution to be set up by the Bank of Japan and private banks to bail out the two credit unions.

Tokyo Kyodou bank is scheduled to start operating next Monday.

The two credit unions have a total of 150 billion yen in bad loans to real estate developers and others, industry sources said.

The new disposal body will take over some 70 billion yen worth of the bad loans, out of the 150 billion yen that will be primarily handed over to Tokyo Kyodou bank, the officials said.

The society's plan calls for receiving 30 billion yen in low-interest loans from the Tokyo metropolitan government and private financial institutions to offset that much of the bad loans it is to take over.

The new body will seek to recover the remaining 40 billion yen by auctioning off real estate and other assets put up as collateral by borrowers from Tokyo Kyowa and Anzen, they said.

It may be difficult to recover all of the 40 billion yen through such auctions, however, the officials said.

As for the 30 billion yen portion, the Tokyo Metropolitan Assembly voted March 9 to approve a supplementary budget bill which deleted 30 billion yen in loans to the central government scheme aimed at bailing out the two credit unions.

MOF Disciplinary Committee Holds 1st Meeting

OW1703141495 Tokyo KYODO in English 1307 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The Finance Ministry [MOF] on Friday [17 March] held an inaugural meeting of a disciplinary committee to investigate alleged links between ministry officials and the former head of a moribund, scandal-plagued credit union, officials said.

Harunori Takahashi, former president of Tokyo Kyowa Credit Association ridden with bad debts, has been under fire for his alleged reckless lending to companies affiliated with him through his credit union.

Deputy Vice Finance Minister Takeshi Komura, the committee chairman, expressed determination at the meeting to tighten discipline to prevent a repeat of similar problems involving the ministry, the officials said.

But the committee, lacking authority for investigation, will not probe the private affairs of individual officials, they said.

Critics doubted if the committee will have any effect on strengthening discipline in the ministry.

LTCB Providing Loans to Failed Credit Unions

OW1803010895 Tokyo KYODO in English 2319 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 18 KYODO—The Long-Term Credit Bank of Japan (LTCB) is expected to provide additional low-interest loans amounting to 37 billion to 40 billion yen to two failed credit unions, industry sources said late Friday [17 March].

The bank's move comes amid fierce criticism over the LTCB's responsibility for the failures of Tokyo Kyowa Credit Association and Anzen Credit Bank, the sources said.

Former Bank of Japan Governor Yasushi Mieno testified before a House of Councillors Budget Committee this week that the Long-Term Credit Bank should bear "an appropriate burden" in bailing out the two Tokyo-based credit unions.

Mieno said the LTCB bears responsibility for Tokyo Kyowa's lending to realtor EIE International Corp., headed by Harunori Takahashi, who is also chief of Tokyo Kyowa, during the so-called "bubble" economy in the 1980s.

Under a rescue plan worked out by the Bank of Japan and the Finance Ministry, a special bank, named Tokyo Kyodou Bank, will be set up Tuesday to take over all assets of the financially strapped credit unions.

But the Tokyo Metropolitan Assembly decided to freeze the extension of 30 billion yen in low-interest loans to the special bank, saying taxpayers' money should not be used for the bailout scheme. The credit unions are supervised by the Tokyo Metropolitan Government.

The additional loans by the LTCB, which will bring the total to 70 billion yen in loans, are offered jointly with a national body of credit unions. The loans are expected to be used to reduce bad debt worth billions of yen held by the two credit unions in relation to real estate deals, according to the sources.

MOF To Seek Disclosure on Restructured Loans

OW1903122695 Tokyo KYODO in English 0957 GMT 19 Mar 95

[FBIS Transcribed Text] Tokyo, March 19 KYODO—The Ministry of Finance [MOF] will make major banks reveal the amount of restructured loans on which interest has been reduced or even eliminated as part of measures to promote information disclosure on nonperforming loans by financial institutions, ministry sources said Sunday [19 March].

Since the closing of the books in March 1993, the nation's 21 major banks have disclosed the amount of nonperforming loans or bad loans on which interest has been unpaid for at least six months and loans to companies that have since gone bankrupt, according to disclosure standards set by the Federation of Bankers Associations of Japan.

As of the end of September last year, aggregate bad loans at the 21 major banks stood at 13.33 trillion yen, according to publicly released figures.

About 50 percent of the bad loans held by the major banks is likely to be disposed of by March 31 when they close the books for fiscal 1994, the sources said.

They, however, have not made public the figures on restructured loans, most of which have been extended to housing loan companies. The ministry estimates the amount of the restructured loans is almost equal to that of the publicized bad loans.

The ministry will ask the Financial System Research Council, an advisory panel to the finance minister, to draw up measures on the disclosure of restructured loans, according to the sources.

The ministry will also take measures to make credit unions disclose the amount of their loans to companies that have since failed, the sources said.

Key Economic Indicator Up for 6th Month

OW2003080495 Tokyo KYODO in English 0717 GMT 20 Mar 95

[FBIS Transcribed Text] Tokyo, March 20 KYODO—A key indicator of Japan's economy stayed over the key 50 percent line for a sixth straight month in January, the Economic Planning Agency said Monday [20 March].

The diffusion index of coincident indicators, measuring current economic conditions, registered 70.0 percent, the agency said in a preliminary report. It has remained above the 50 percent line, which divides improvement from decline, since August.

The January leading index, forecasting economic conditions three to six months ahead, also stood at 70.0 percent, above 50 percent for a thirteenth straight month, the agency said.

The January lagging index, showing the performance of the preceding three to six months, was 41.7 percent, staying below the 50 percent "boom-or-bust" line for the third consecutive month, the agency said.

H-2 Rocket Launched With Two Satellites

OW1803083895 Tokyo KYODO in English 0826 GMT 18 Mar 95

[FBIS Transcribed Text] Tanegashima, Japan, March 18 KYODO—Japan's domestically developed H-2 rocket was successfully launched with two satellites Saturday [18 March], marking a big step forward for Japan's entry into the international commercial satellite launching business.

The third H-2 rocket lifted off from Tanegashima Island, about 1,000 kilometers southwest of Tokyo, at 5:01 P.M. [0801 GMT] as planned, and is expected to put the two satellites separately into orbit within about 30 minutes, according to officials of the National Space Development Agency (NASDA).

The launch was initially set for Feb. 1, but has been rescheduled several times due to mechanical problems.

About 13 minutes after liftoff, the rocket will separate the space flyer unit (SFU), and then after 28 minutes the Geostationary Meteorological Satellite No. 5 (GMS-5).

The SFU is to conduct various tests in space for six months and then be retrieved from orbit by a U.S. space shuttle, while the GMS-5 will replace Himawari (Sunflower) No. 4, a geostationary satellite.

The H-2 is the first major space vehicle developed and manufactured entirely by Japan.

The government has spent 95.4 billion yen on the H-2 project, including the development of the satellites.

Himawari Satellite Enters Orbit

OW1903114795 Tokyo KYODO in English 1113 GMT 19 Mar 95

[FBIS Transcribed Excerpt] Tsukuba, Japan, March 19 KYODO—A satellite, which separated from Japan's domestically developed H-2 rocket Saturday [18 March], was successfully positioned Sunday into an oval orbit around earth, a crucial step before the satellite starts following a geostationary orbit, scientists said.

Scientists of the National Space Development Agency (NASDA) in Tsukuba, Ibaraki Prefecture, northeast of Tokyo, said they succeeded in changing the orbit by remote control.

The Geostationary Meteorological Satellite (GMS), Himawari (Sunflower) No. 5, was separated from the third H-2 rocket within 30 minutes after its launch from Tanegashima Island, in the southern Japanese prefecture of Kagoshima, Saturday evening.

After an oval orbit of three months at an altitude of about 36,000 kilometers, the satellite is expected to be moved into a geostationary orbit above the equator in late June, the scientists said.

Beaming NASDA Director Satoshi Tateno told a press conference, "I'm so happy I'd like to stand up and yell 'we've made it.'"

Last August, NASDA failed to guide a 2-ton satellite into a geostationary orbit after launching it on an H-2 rocket from Tanegashima Island.

The GMS Himawari No. 5 is hoped to replace Himawari No. 4, on which the Meteorological Agency now relies for its weather observation. [passage omitted]

High-Powered Solar Electric Car Completed

OW1803100295 Tokyo KYODO in English 0947 GMT 18 Mar 95

[FBIS Transcribed Text] Tokyo, March 18 KYODO—Japanese university researchers said Saturday [18 March] they have finished building one of the most powerful and efficient solar electric cars in the world.

The car is about 30 percent more powerful than conventional electric cars and three times more fuel efficient than gas-fueled cars, said Masaharu Fujinaka, a Tokyo Denki University professor.

A 15-day, 2,500-kilometer test drive between Tokyo and Kagoshima, a city on Japan's southernmost main island of Kyushu, is scheduled to start Monday.

The car, whose body was built by remodeling a Japanese-made light vehicle, has a smaller motor and special tires.

About 10 percent of the energy is provided by solar batteries fixed on the roof and the hood, according to the researchers.

In trial runs on a test course, the car covered about 300 kilometers on a one-hour charge, they said.

The vehicle reportedly gives an unusually quiet and comfortable drive, with smooth and powerful acceleration, they said.

The 5 million yen manufacturing costs for the two-seater could be reduced to about 1.5 million yen after mass production, the researchers said.

"The car is very fuel efficient and clean. It is an answer to the calls for commercially viable electric cars," said Fujinaka.

Firms, Universities To Conduct HDD Research

OW1803055195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Mar 95 Morning Edition p 12

[FBIS Translated Text] In May, Hitachi Ltd., Fujitsu Ltd, NEC Corporation, and Toshiba Corporation plan to set up a joint organization on technology related to hard disk drives (HDD), devices used for storing computer data. They plan to turn it into an industrial-academic consortium by not only calling for participation by HDD parts makers, but by also opening the doors widely to academic research institutions. It is expected that nearly 30 firms and research institutions will eventually join the organization. It is hoped that by accumulating the firms and universities' research results, Japan can catch up with U.S. makers, which enjoy a 90 percent of the share of the HDD market.

The organization will be called the "Data Storage Research Promotion Consortium (SRC)." Hitachi and the three other companies each plan to provide 20 million yen to the consortium annually. It has been agreed that foreign firms will not be excluded from participating in the consortium. IBM Japan Ltd. has already been asked to join. Manufacturers of magnetic disks, magnetic heads, and other parts have also been invited, in hopes that 200 million yen in research funds can be collected annually. Tohoku University and other universities are reportedly affirmative about joining, while participation by foreign-affiliated firms is still indefinite.

The SRC will emphasize promoting basic research in the HDD field and provide financial support to member firms and universities for their research on technology related to magnetic recording. Research results may be used by participating firms in designing their products. As for specific research topics, the SRC hopes to increase the recording density of magnetic disks, improve the quality of materials used in making magnetic disks, and design better magnetic recording heads and recording methods.

Regarding HDD's, which are devices for recording data used in computers and other instruments, the world market is dominated by Quantum, Seagate Technologies, and other U.S. firms. In the United States there exists a joint government-private research consortium called the "NSIC [expansion unknown]," which reportedly has received over $100 million in funding from the U.S. Government over five years. Japanese HDD makers, which have lagged far behind in this field, plan to catch up mainly through efforts by the SRC.

North Korea

Ministry Warns U.S. To Stop 'Arms Buildup'

SK2003104295 Pyongyang KCNA in English 1032 GMT 20 Mar 95

["U.S. Urged To Stop Arms Buildup in South Korea"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—The U.S. Administration must not run against the international trend toward detente and the spirit of the DPRK-U.S. framework agreement, but give up its attempt at military pressure on the DPRK and immediately stop its arms buildup in South Korea, demands a spokesman of the Foreign Ministry of the Democratic People's Republic of Korea in a statement issued today.

The statement says: The United States has shipped 20 multi-purpose high-speed vehicles to South Korea over the last two months and will introduce 500 more in future and 150 Abrams tanks in May and 24 Apache attack helicopters in the latter half of the year under the program of modernisation of the U.S. Forces in South Korea.

The U.S. Administration published a new "East Asia strategy," nullified the plan of withdrawing its troops from South Korea and is shipping uptodate combat equipment to South Korea for the purpose of increasing their maneuvribility and striking capacity, at a time when the framework agreement between the DPRK and the United States is to be implemented in real earnest. We cannot but take a serious view of this.

The extensive arms buildup of the United States fully conflicts with the DPRK-U.S. framework agreement on denuclearising the Korean peninsula and ensuring peace and security there. As regards the model of light water reactors to be provided to the DPRK, the U.S. side insists on its wrong stand and tries to provide the fictitious South Korean model to the DPRK. This cannot be construed otherwise than part of military pressure.

Although they pay lip service to the observance of the Korean Armistice Agreement, the U.S. authorities have systematically introduced nuclear weapons and new-type military equipment into South Korea and reinforced the Armed Forces in South Korea ever since they unilaterally abrogated the article of the agreement which bans the introduction of weapons and combat equipment from outside Korea 40 years ago. This shows that what they say is quite different from what they do and that they have long since nullified the Korean Armistice Agreement itself.

Facts show that the U.S. Administration is still making preparations for war of aggression against the DPRK on the Korean peninsula and that their new "security strategy" is a strategy for aggression and intervention.

The United States must know that if it persistently pins hopes on the "policy of strength" it will have to bear responsibility for the consequences arising therefrom.

Ministry Takes 'Very Serious View'

SK2003134695 Pyongyang Korean Central Broadcasting Network in Korean 1213 GMT 20 Mar 95

[FBIS Translated Text] On 20 March, a DPRK Foreign Ministry spokesman issued a press statement [tamhwa] denouncing [kyutan] the United States [miguk] for bringing in modern combat equipment [chakchon changbi] in accordance with its plan to modernize U.S. Forces in South Korea.

A press statement was issued by a DPRK Foreign Ministry spokesman:

According to a foreign news report, in accordance with its plan to modernize U.S. Forces in South Korea, the United States has already introduced 20 multi-purpose high-speed mobile vehicles [tamokchok kosok idong charyang] into South Korea during the past two months, and will bring in 500 more high-speed mobile vehicles in the future. In addition, the United States will reportedly introduce into

South Korea 150 Abrams tanks in May and 24 Apache attack helicopters in the latter half of the year.

At a time when the DPRK-U.S. framework agreement is to be earnestly implemented, the U.S. Administration has made public a so- called new East Asia strategy and nullified the plan to withdraw U.S. Forces from South Korea; and it is introducing modern combat equipment into South Korea for the purpose of increasing their maneuverability and striking capability [kidongnyokkwa takyngnyok]. We cannot help but take a very serious view of this [maeu omjungsi hajianulsu optta].

Such a large-scale arms buildup scheme [taedaejokin muryok chunggang chaektong] of the United States is an act that fully runs counter to the DPRK-U.S. framework agreement, which is committed [kongyakhan] to denuclearizing and ensuring peace and security on the Korean peninsula. Regarding the question of selecting [sontaek munje] the model of light-water reactors to be provided [napip] to us, the U.S. side insists on its wrong stand [pudanghan chujangul kyesokhamyonso] and is trying to provide [naerimokyo poryonunkotto] the fictitious [itchidoannun] South Korean-style light-water reactors to us by any means [ottokehaesona]. We cannot help but also construe this as part of its schemes to apply military pressure.

Although they often pay lip service to the observance of the Korean Armistice Agreement, the U.S. authorities have been systematically introducing nuclear weapons and new-type military equipment into South Korea ever since they unilaterally abrogated the article of the Korean Armistice Agreement that bans the introduction of weapons and combat materials [chakchon mulja] from outside almost 40 years ago; and today, too, they are continuing to intensify their schemes to reinforce the armed forces in South Korea. This shows that they are admitting themselves that what they say is completely different from what they do, and that they have long since nullified the Korean Armistice Agreement itself.

Facts show that the U.S. Administration is still sticking to [maedaligoitssumyo] making preparations for a war of aggression against us on the Korean peninsula and that their so-called new security strategy is nothing but a strategy for aggression and intervention [chimyakkwa kansop chonryak].

The U.S. Administration should not run counter to the present international trend running toward the reduction of tension and to the spirit of the DPRK-U.S. framework agreement, but give up its attempt to apply military pressure on us and immediately stop its schemes to reinforce the armed forces in South Korea.

The United States should know that if it pins hopes on a policy of strength, as before, the United States will be responsible [chaekimi chodulege ittanungol araya halgossida] for the consequences arising therefrom.

U.S.-ROK 15-18 Mar 'Air War Exercises' Noted

SK2003053295 Pyongyang KCNA in English 0505 GMT 20 Mar 95

["War Exercise Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—The U.S. imperialists warmaniacs in league with the South Korean puppets staged air war exercises such as air battle, striking targets in the depth of the North and directly supporting ground offensive units in the skies above the area of Oeyon and Anmyon Islets and Sangdong and area of Kapyong, Chunchon and Tongduchon by mobilising various types of the overseas-based fighter planes, according to the military sources.

Mobilized in the war manoeuvres against the North from March 15 to 18 were over 2,100 military planes.

Meanwhile, the South Korean puppets deployed bandits of puppet army armed with heavy and automatic weapons, a group of heavy tanks and 105 mm and 155 mm guns in the forefront of the eastern, central and western sectors of the front and ran wild firing over 100 tank shells and 750 gun-shells.

And the South Korean puppets recently committed one provocation after another against the North in the Demilitarized Zone south of the Military Demarcation Line in the central and western sectors of the front.

All facts show how recklessly the U.S. imperialists and the South Korean puppets run to drive the situation of the Korean peninsula to confrontation and war, going against the trend of the times.

Paper Criticizes ROK Initiatives Regarding UN

SK2003053695 Pyongyang KCNA in English 0511 GMT 20 Mar 95

["Rash Act of Imprudent Fellows"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—During his recent trip to Britain, the traitor Kim Yong-sam said if South Korea was elected an impermanent member of the UN Security Council for 1996-1997, it would take the opportunity to express thanks to the United Nations for its military assistance during the last Korean war. In a bid to elbow out Sri Lanka, he even declared South Korea was ready to dispatch troops for UN peacekeeping operations.

An analyst of NODONG SINMUN today says:

It is still uncertain whether he recited a script written by someone or he made the remarks by squeezing his politically stupid brain. But his act was so rash that his ulterior intention was laid bare in every aspect.

His ulterior intention is to abuse the UN Security Council for opposing the peaceful reunification of Korea and inciting the atmosphere of division and confrontation on the Korean peninsula. In other words, it is to use the United Nations for his separatist purposes, in violation of its objective and principle.

No small number of UN member nations respect and value the traditional spirit of cooperation among Asian countries. The traitor Kim Yong-sam, however, desperately behaved for an impermanent membership, paying no heed to this spirit and ignoring the demand of western countries and other UN member nations, so that they find themselves at a loss. This implies that the South Korean puppets will make troubles in the UN affairs.

South Korea is the worst graveyard of human rights, as is recognised by the international community, and the traitor Kim Yong- sam is a colonial puppet, heinous fascist tyrant and war-maniac who has no independence and acts under the thumb of foreign forces. For such fellows to try to make their way into an important executive body of the United Nations is an insult to the UN and a mockery of the UN member nations.

Those who cherish justice and impartiality will never pardon the rash acts of the South Korean puppets.

ROK's Kim Yong-sam's European Tour Criticized

Foreign Mass Media View Trip

SK1803044295 Pyongyang KCNA in English 0431 GMT 18 Mar 95

["Kim Yong-sam's European Tour Scorned"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA)—The traitor Kim Yong-sam toured European countries such as France, the Czech Republic, Germany and Britain from March 2 to 15.

During this tour, he talked as if South Korea's "rapid economic growth" and "experience in social development" were a "model" for developing countries, begged those countries to help South Korea be elected an impermanent member of the U.N. Security Council and held political confabs to vilify the Democratic People's Republic of Korea.

However, mass media in those countries criticised and scorned his European tour as a mendicant trip to improve the image of the "civilian" fascist regime and a criminal act against the nation and reunification.

The March 6 edition of the Czech paper SPIGUL carried an article titled "Is Democracy Ensured in South Korean Society?" in connection with Kim Yong-sam's trip to the Czech Republic.

The article exposed who stands in the way of peaceful reunification of Korea.

As long as the anti-communist "National Security Law" exists in South Korea, neither a successful dialogue between the North and the South of Korea nor the reunification of the country can be expected, said the article.

This criminal fascist law is used to suppress the patriotic movement of people for independence, democracy and reunification, the article said, adding that under this anti- communist law, prisoners of war who refuse ideological conversion are still detained in prison and subjected to harsh torture.

Other newspapers HALO NOVINY and DIALOG also carried articles on the anti-reunification, anti-peace and anti- democratic acts of the South Korean puppet clique.

The TIMES and GUARDIAN of Britain said that during his trip, Kim Yong-sam would not be in his right mind under pressure from Britain to open South Korea's market and provide convenience for business activities of stockbrokers of British banks.

Another newspaper the independent said Kim Yong-sam is losing popularity in South Korea, adding that while he was on a European tour, newspapers in Seoul paid greater attention to activities of an opposition party and gave them wide publicity.

Televisions and radios of Britain did not broadcast any report about Kim Yong-sam's tour.

Dailies Analyze Results

SK1803051095 Pyongyang KCNA in English 0505 GMT 18 Mar 95

["Traitor's Tour Leads Him Nowhere"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA)—Papers here today say that the traitor Kim Yong-sam's recent tour of European countries brought nothing but inhospitality and disgrace to himself.

A NODONG SINMUN analyst says:

Kim Yong-sam got nothing but frigid reception during his latest trip.

As was reported, the traitor Kim Yong-sam was greeted by a few persons in charge of protocol, not by the head of state each time he arrived in any country. It is only too natural that the traitor Kim Yong-sam was accorded inhospitality of that kind. Kim Yong-sam is a colonial marionette, who is dancing to others' tune with no authority, independence and principle and feeding on bread crumbs of foreign forces. For this, he is forsaken and condemned by the people at home and abroad. Then, who will grant a ceremonial welcome to such an idiot as Kim Yong-sam who has no qualities of a politician?

During his tour the traitor Kim Yong-sam was, obtrusively enough, taking issue with the "nuclear problem" of the North, crying for "North-South dialogue" and even asking for South Korea's membership of an international organisation. His utterances did not work on any one, only to be criticized for bluffing.

Kim Yong-sam also made outcries over "globalisation". He meant he would fling the door of South Korea wide open for foreign monopoly capital and allow anyone to make profits and plunder everything in South Korea.

This is nonsense that can be made only by the traitor.

During his tour, the traitor had several office rooms and even a barber's arranged for his exclusive use everywhere he set his foot in a bid to show off, but he found himself criticised and scorned.

The traitor Kim Yong-sam must step down, aware of his poor lot ridiculed at home and abroad.

MINJU CHOSON in a signed commentary says the traitor Kim Yong-sam sought in his latest trip to get rid of international isolation, but, he found himself landed in further isolation.

Visit Labeled 'Mendicant Tour'

SK1803104695 Pyongyang KCNA in English 1037 GMT 18 Mar 95

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA)—The traitor Kim Yong-sam in his "address" made on Wednesday [15 march] after his tour of European countries cried that his latest "tour of Europe" marked a "great occasion in expanding the diplomatic horizon" of South Korea and that he "felt a great pride", according to a radio report from Seoul.

His nonsense is no more than a crude "advertisement of his achievement" designed to whitewash his latest tour of Europe, which brought inhospitality and disgrace upon himself and ended in failure.

His trip was a mendicant tour aimed at improving the ugly image of the "civilian fascist regime" in the grip of hopeless crisis, isolated at home and abroad and, at the same time, a tour woven with anti-national, anti-reunification crimes to do harm to the fellow countrymen.

His latest tour ended in total failure.

It is proved by the fact that during his tour of European countries he described South Korea's "high-rate economic growth" and "experiences in social development" as "models" for developing countries, but he found himself ridiculed and scorned by the developing countries.

The South Korean economy is on the verge of complete bankruptcy consequent upon the colonial economic dependence policy and the colonial export-oriented policy. This is the truth behind the traitor's advocacy of "high-rate economic growth". And the complete failure of the "reform policy" has thrown the South Korean society "into confusion, shaking it to its foundation".

For the traitor Kim Yong-sam to prattle that such a chaotic economy and the medieval dark society are "models" is the height of impudence, a mockery of developing countries.

It is, in the final analysis, based on his ignorance of these countries.

It is natural that these countries turn their back on the puppets who try to fool them with the clamouring about "models".

While pretending to do something for the countries with an empty talk, the traitor asked for support to South Korea's effort to get an impermanent seat in the U.N. Security Council, babbling that it will "take an active part in the U.N. peacekeeping operations".

For the traitor Kim Yong-sam who has no justification and qualification to ask for helping South Korea to take a responsible post in the United Nations only invites condemnation by the people.

During his tour the traitor entreated the European countries to "back" South Korea's insistence on the provision of its light water reactors to the DPRK. And when his entreaty did not work on these countries, he let out a blast against the North, contending that there would be a "strong counteraction in case the North breaks the Geneva agreement".

This is a revelation of the ulterior intention of the puppets to obstruct the implementation of the DPRK-U.S. framework agreement and bring the situation on the Korean peninsula to a phase of confrontation at any cost.

The unpardonable criminal act of the traitor Kim Yong-sam in seeking even in his overseas tour to incite North-South confrontation and stifle the fellow countrymen has caused the surging indignation of the fellow countrymen.

The traitor Kim Yong-sam running amok to inflict scourge upon the nation will have to pay dearly for his criminal act.

Paper Urges Removal of 'Kim Yong-sam Group'

SK1803103795 Pyongyang KCNA in English 1028 GMT 18 Mar 95

["Obstacle To Great National Unity Must Be Removed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA)—Genuine harmony and unity of the entire nation are essential for national reunification. To this end, it is imperative to remove the Kim Yong-sam group that is hindering great national unity and the reunification of the country in every way.

This is stressed in an article of NODONG SINMUN today.

The author of the article says:

Over the two years since it took office, the Kim Yong-sam group has committed shocking crimes against the country and the nation, taking the line of dependence on foreign forces and confrontation with the North, not national independence and unity. When the imperialist reactionaries raised a hue and cry over the "suspected nuclear development program of the North" as part of the anti- socialist, anti-DPRK campaign, the Kim Yong-sam group busied itself begging for international "sanctions" against fellow countrymen, as a shock brigade of the racket over the nuclear issue.

The Kim Yong-sam group is making much ado about "globalisation." It describes national reunification as the "objective and means of globalisation." Herein lies a criminal intention to put national reunification on the altar of "globalisation," realise its wild dream of "unifying the country by invading the North" in collusion with foreign forces and place the entire nation under the domination of foreign forces.

The Kim Yong-sam group shunned a handshake offered by fellow countrymen for great national unity, totally nullified "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and the South" and "Joint Declaration on the Denuclearisation of the Korean Peninsula" and blocked the dialogue and exchange which were taking place. It even sprayed liquefied tear gas from helicopters on the venue of the Fifth Pan-National Rally (Seoul) last year which our nation declared "a year of great national unity."

Worse still, when the entire fellow countrymen were in deep grief at the loss of the great father of the nation, the Kim Yong-sam group, far from expressing condolences, leveled guns at fellow countrymen lost in grief and arrested, imprisoned and punished those students and other people who were mourning over it, by invoking the notorious "National Security Law."

The Kim Yong-sam group has recently decided to build a nuclear waste dump at a place near the North, ignoring strong public protests at home and abroad. Lurking behind it is a criminal intention to aggravate North-South confrontation and do harm to fellow countrymen at any cost.

Although the Kim Yong-sam group pays lip service to "reconciliation and cooperation" and "resumption of dialogue" it is a trick to shirk the blame for the crime it committed by seeking confrontation with the North and blocking all channels of dialogue and exchange which took place even under the preceding military dictatorial regime.

The year it took office, the Kim Yong-sam group resumed the Team Spirit joint military maneuvers with foreign forces, a rehearsal for nuclear war against the North and frequently held military exercises under various names such as Ulji Focus Lens, Foal Eagle and Hwarang, so that the situation grew more strained and hurdles were laid in the way of national harmony and unity.

The anti-national crimes committed by the Kim Yong-sam group by turning its back on fellow countrymen, hindering national harmony and unity in collusion with foreign forces and blocking the road to national reunification can never be pardoned.

ROK Urged To Join Grand Reunification Festival

SK1903103495 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 17 Mar 95

[Unattributed talk, from the "Hour for South Korean Youths and Students" program: "Let Us Have the Grand Reunification Festival Held Without Fail by Devoting Our Youthful Ardor"]

[FBIS Translated Text] South Korean youths and students:

This year, our nation will greet the 50th anniversary of the fatherland's liberation. The January joint meeting of the DPRK political parties and public organizations proposed that all political parties, social groups, and compatriots from all walks of life in the North, South, and overseas meet together at one place to grandiosely celebrate the 50th anniversary of the fatherland's liberation this on 15 August.

If all fellow countrymen celebrate Liberation Day together for the first time in the half a century-long history of national division, then greater willpower for reunification will overflow through the entire territory of the fatherland. The meaningful celebration of the 50th anniversary of the fatherland's liberation by the entire nation has great significance for developing to a higher level the reunification movement of Korean youths and students who are struggling at the front to realize the people's long cherished desire of the century.

The great leader [yongdoja] Comrade Kim Chong-il noted: It is very important to achieving the unity of Korean youths that young people in the North, South, and overseas frequently contact and visit one another as well as hold many joint festivals and struggles.

When young people in the North, South, and overseas have frequent visits and meetings to discuss the reunification issue and organize various joint events, they can extend mutual understanding and trust as well as firmly unite themselves in one volition to reunification.

South Korean youths and students:

All fellow countrymen vigorously call you to the plaza of the grand nationwide festival celebrating the 50th anniversary of the fatherland's liberation. The patriotic South Korean youths and students should hold the grand nationwide festival celebrating the 50th anniversary of the fatherland's liberation without fail by waging an active struggle, and should run to the plaza of the great meeting where the aspirations and intents of fellow countrymen, who earnestly desire an early reunification of the fatherland, will be unified in one.

Dailies Stress Importance

SK1903084495 Pyongyang KCNA in English 0837 GMT 19 Mar 95

["Way For Grand National Reunification Festival Should Be Opened With Nationwide Struggle"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA)—Papers here today stress that the fellow countrymen at home and abroad should turn out as one in the patriotic struggle to successfully hold the Grand Reunification Festival to mark the 50th anniversary of national liberation.

A by-lined article of NODONG SINMUN says:

The Korean nation should end the history of division and open a new epoch to begin a new history of building a reunified fatherland at any cost this year marking the 50th anniversaries of national liberation and division.

For this purpose we put forward a new radical proposal to grandly celebrate the 50th anniversary of national liberation as a national festival and to hold a great national conference to be attended by people from the North, South and overseas to discuss and decide on the nation's common way of reunification on August 15 this year.

The grand reunification festival to celebrate the 50th anniversary of national liberation will demonstrate once again to the world that the Korean nation is one with the same blood and same territory. And it will show that the Korean people with wisdom, spirit and inexhaustible strength are paving the way for national reunification, firmly united as one nation whether they are in the North or in the South or abroad, they are Communists or nationalists, haves or have-nots, atheists or theists.

If the representatives of all political parties, groupings and people of all strata at home and abroad participating in the Grand Reunification Festival marking August 15 hold a great national conference to decide on the common way of reunification, a wide road will be opened to concentrate the desire of the nation for reunification and its strength on the nation's common cause of the reunification of the country.

The Kim Yong-sam group is concocting a criminal strategy to block the festival at the point of the bayonet. It is high time that the entire Koreans in the North, South and overseas who desire reunification rose in struggle as one to resolutely smash the obstructions of the separatists and successfully hold the Grand Reunification Festival.

Youths Urged To 'Smash' Blockade

SK1903123495 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 17 Mar 95

[Unattributed talk, from the "Hour for South Korean Youths and Students" program: "Youths and Students Are Urged To Become a Banner for the Successful Holding of the Grand Reunification Festival"]

[FBIS Translated Text] Today, all patriotic Korean people, no matter where they live, have unanimously launched the struggle to reunify the divided fatherland. The fatherland's reunification, the greatest and long-cherished desire of the Korean people, is an issue that concerns our nation's destiny and our people's fate, and is the supreme task that cannot be delayed any longer. No other task is more urgent to our people in these current times than ending the tragedy of national division and reunifying the country. In this year, when half a century has passed since national division, our people must open a way to reunification in the 1990's under any circumstances.

In order to open a solid path for the fatherland's reunification this year, political parties and public organizations in the northern half of the Republic held a joint meeting and proposed that all compatriots in the North, South, and overseas meet together at one place on 15 August to grandiosely celebrate the 50th anniversary of the fatherland's liberation, and hold a great national meeting at that meaningful place to discuss and decide on a common way of national reunification.

If compatriots in the North, South, and overseas meet all together at one place on 15 August to celebrate the 50th anniversary of the fatherland's liberation in a grand nationwide festival, and discuss and decide on a way to reunify in conformity with the entire nation's intent as proposed by the joint meeting of the political parties and public organizations in the northern half of the Republic, then we can again demonstrate that the Korean people are brothers and sisters of the same blood who have one fatherland, even though they have lived apart for as long as half a century.

The proposal put forward by the joint meeting of the political parties and public organizations in the northern half of the Republic plainly reflects the earnest desire of the Korean people who love the country and the nation.

Great is the role of the Korean youths and students in successfully holding the Grand Reunification Festival, which all people await with great expectation and interest. Before the country and the nation, Korean youths have the sublime duty of standing at the front of the reunification movement.

The historic cause of the fatherland's reunification, our nation's long-cherished desire, can be realized only when brave and stalwart youths and students rise up as the banner of struggle. In order to fulfill their duty for the country and the nation, all Korean youths—no matter where they live, in the North, South, or overseas—should firmly be united under the banner of the fatherland's reunification.

In South Korea, dominated by foreign forces and nation-sellers, youths and students are fading, their youth being trembled down. Korean youths must rise up all together and achieve reunification of the country as soon as possible. By doing so, they will all bloom as flowers of the nation, enjoying happiness to their hearts' content in the bosom of great General Kim Chong-il.

The fatherland's reunification is the supreme task that must be implemented with the Korean youths as vanguards; this is for the Korean youths themselves.

The Grand Reunification Festival proposed by the joint meeting of the political parties and public organizations in the northern half of the Republic will provide an important momentum for uniting all Korean youths under the banner of unity and arouse them to the sanctuary of the fatherland's reunification.

South Korean youths and students are urged to vigorously fly like a banner for successfully holding the Grand Reunification Festival. The traitorous Kim Yong-sam clique of vicious divisionists and antireunification elements is maneuvering to frustrate the Grand Reunification Festival by any means, saying the proposal put forward by the joint meeting of the political parties and public organizations in the northern half of the Republic is propaganda or the like.

South Korean youths and students should resolutely struggle to smash the traitorous Kim Yong-sam clique's antireunification and divisionist maneuver to block the Grand Reunification Festival. Our nation firmly believes that South Korean youths and students will smash the traitorous Kim Yong-sam clique's disturbance maneuver and run to the plaza of the Grand Reunification Festival.

South Korean youths and students should open the way by waging a struggle, and should run to the plaza of the Grand Reunification Festival, answering the nation's call.

'Contact in a Third Country' Urged

SK1703054795 Pyongyang KCNA in English 0441 GMT 17 Mar 95

["North-South Contact for National Conference Proposed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—A spokesman of the North side preparatory committee for the grand national reunification festival to celebrate the 50th anniversary of national liberation, in a press statement on the March 16 concerning the decision of the "National Alliance for Democracy and Reunification" (Chongukyonhap) of South Korea to hold a national conference for reunification on August 15, sincerely proposed a bilateral contact in a third country at an early date.

He welcomed Chongukyonhap's decision, considering it to be an affirmative response to the North side's intention to bring about a turn in favor of national unity and reunification this year at any cost.

He continues:

If a joint reunification festival of the nation in which people in the North, the South and overseas participate opened on the occasion of the 50th anniversary of the liberation of the country, misunderstanding and distrust between the North and the South would be removed, a new epochal turningpoint made in reconciliation and unity and the festival be an important occasion in making a breakthrough for national reunification.

We hope for an affirmative response from Chongukyonhap and at the same time, express the belief that a get-together of both sides' representatives will be achieved without fail.

The spokesman warmly appealed once again to political parties, organisations and figures of all social strata in South Korea to take an active part in the nationwide struggle for successfully holding a grand reunification festival on August 15.

Paper Denounces ROK's 'Globalization' Policy

SK2003104695 Pyongyang KCNA in English 1023 GMT 20 Mar 95

["'Globalisation' is Slogan for Division"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—If the traitorous Kim Yong-sam group continues answering the desire of the nation with antireunification acts, it will meet bitterer criticism from the entire nation and go to its doom.

This is stressed in an article of NODONG SINMUN today under the title " 'Globalisation' is Slogan for Division."

The author of the article says:

The traitor Kim Yong-sam described national reunification as the "objective and means of globalisation." This revealed his ugly colour as a separatist.

If reunification is the "objective of globalisation" as described by the puppets, reunification cannot be achieved in the 1990s and nobody knows when it will be achieved even in the 21st century. The Koreans who earnestly wish national reunification can never tolerate it.

As is known to the world, "unification under the liberal democratic system" called for by the South Korean puppets is an infeasible daydream. By describing national reunification as "means of globalisation" they mean they oppose the reunification of the country.

The Kim Yong-sam group calls for "buildup of internal strength" as regards the reunification question. This is a theory of confrontation and a slogan for war in that it means building up its strength to get an "upper hand in strength."

The Kim Yong-sam group also cries out for preparations to cope with "an era of North-South exchange and cooperation." It does not, however, want exchange and cooperation for improvement of the North-South relations and for reunification, but trade alone with the North and the South remaining separated as now.

The traitor Kim Yong-sam's attempt to place national reunification, the cherished desire of the nation, on the altar of "globalisation" is tantamount to committing crime after crime.

Arrest of ROK Chuche Advocates Denounced

SK2003051995 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 18 Mar 95

[Commentary by Kim Ho-sam: "They Cannot Fetter Ideology"]

[FBIS Translated Text] With spring approaching, the Kim Yong-sam ring is again gathering wind to create a grim whirlwind of mass arrests against university students.

According to KBS-1 radio in Seoul, the South Korean puppet police and the puppet Army Defense Security Command ganged up to commit more fascist violence to arrest 13 students of Kyonggi University who believe in the immortal chuche idea, including Song Yong-chu.

In committing this violence, the South Korean fascist hoodlums made an accusation that the Kyonggi University students formed an organization called the "Independence Rank Activists" whose program and statutes incorporate the immortal chuche idea, and printed tens of publications and distributed them to the university students to propagate the chuche idea.

KBS-1 radio also said that the police exposed and arrested a similar student organization in Pusan University in February, and that the police will further expand their investigation.

This violence committed by the Kim Yong-sam clique is a signal that after its commotions in connection with the chuche idea student followers last summer, this year, it will inflict all-out suppression on students who follow the chuche idea. This is a vicious challenge to the progressive South Korean students who have the right to freedom in learning, and is a crime that can never be justified.

Even if it is true that students at South Korea's Kyonggi University formed an autonomous organization called the Independence Rank Activists and adopted the chuche idea for its program and for the statutes of the organization, it cannot be a crime at all, and moreover, there is no reason for their arrest and indictment.

It is a basic right of man—an independent social being—to choose and believe any ideology. Therefore, no one should stop someone from choosing one's ideology, not to speak of making it the target of suppression. Therefore, those who make an issue of it and regard it as crime are overriding the question of ideology and system and committing a reckless act of trampling upon man's basic rights, so they should be condemned by society.

If the Kyonggi University students studied the chuche idea and incorporated it into their organization's guiding ideology, program, and statutes, it should be regarded as their choice based on their years of life experience. This should not constitute any problem. On the contrary, it is a just act deserving praise.

As everyone knows, the chuche idea is the only great guiding ideology of the present times which truly defends the independence of the working popular masses and elucidates the way to man's liberation most scientifically.

Each passing day more clearly confirms that the chuche idea is a true, man-centered, guiding ideology. Therefore, more and more people are joining the ranks of those who accept and learn the immortal chuche idea as their faith are increasing with each passing day. This is because only the chuche idea elucidates the way to most precisely and rapidly realize a utopia free from exploitation and oppression which mankind has yearned for, for such a long time.

Organizations for studying and propagating the chuche idea are thus found in all continents and countries of the world. They are found not only in Third World countries and developing countries but also in advanced capitalist countries, including the United States and Japan. However, only the Kim Yong-sam ring is applying the National Security Law to stop the great and progressive ideology from being propagated by suppressing its believers with bayonets. What a reactionary and criminal act this is!

If the Kim Yong-sam regime is truly a civilian regime and advocates liberal democracy, it should first ensure the freedom of ideological choice and the freedom of association. However, even the elementary freedom of ideology is trampled upon, making the civilian regime and liberal democracy a fair but empty phrase.

The Kim Yong-sam ring, which blocks the freedom of ideological activity using the puppet police agency and even the puppet Army Defense Security Command, is a trampler of freedom, a strangler of democracy, and a ringleader making the South Korean society a closed society.

The Kim Yong-sam fascist ring which is stopping the propagation of the great chuche idea and arresting its believers, is trying to do what can be done by idiots who have no foresight into the future of the world at all. Their attempt to stop the powerful trend of the chuche idea is like a foolish act of trying to hide with their hands the rays of a sun that brightens the universe.

Ideology can never be fettered. The Kim Yong-sam ring should immediately release the students of the Kyonggi University and Pusan University that it arrested illegally. If the Kim Yong-sam ring continues its whirlwind arrest of students, it will face stronger resistance from the South Korean people.

France Denounced for 'Currying Favor' With ROK

SK1803013195 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 17 Mar 95

[Commentary: "The Face of a Big Power Swayed by Money"]

[FBIS Translated Text] France continues to act meanly while currying favor with the South Korean puppets. In a so-called statement in the name of the chair country of the European Union [EU], France recently mentioned so-called regrets, violation of the Armistice Agreement, and the like, regarding the withdrawal of the Polish delegation from the Neutral Nations Supervisory Commission [NNSC].

Meanwhile, when puppet traitor Kim Yong-sam jaunted to France, the ruler of this country made absurd remarks at a so-called welcoming banquet for him, describing South Korea as if it were a party for a peace treaty, and saying that the resumption of South- North dialogue is a condition for the resolution of the dispute over the nuclear issue in the DPRK-U.S. agreed framework [chomi kibon habuimunun pungnam taehwa chaegaerul haek punkyu haegyol chogonuro hagoitta].

With traitor Kim Yong-sam sitting beside him, the French ruler even said: You experienced much trouble in the past and today, people question you. I respect you for your patience and braveness.

This behavior by the French authorities is so lowly and immature that it astonishes people.

The withdrawal of the Polish delegation from the NNSC is not a matter in which France can meddle. We nominated and invited Poland as a member of the NNSC, and accordingly, we have the right to dispose of [chori] it. With the dismantlement of the armistice system due to unfair action by the United States, the Polish delegation had nothing left to do, and we decided to discontinue nonproductive appropriations [pisaengsanjok chichul] for the Polish delegation because we believed that there was no need for the Polish delegation to remain.

As shown, the withdrawal of the Polish delegation is an issue that concerns our sovereignty. Accordingly, we denounce France's action as an infringement upon our sovereignty. It seems that France intended to satisfy the South Korean puppets with the infringement upon our sovereignty and to require them to repay it.

On another note, we are surprised at the similarity between the remarks by the French authorities and those by the South Korean puppets. The French authorities' remarks that South Korea is a party for signing a peace treaty with us and that the resumption of South-North dialogue is a prerequisite for the implementation of the DPRK-U.S. agreed framework are exactly like the South Korean puppets' remarks. The French behavior was aimed at currying favor with the South Korean puppets.

Now we cannot help but view France differently. France has claimed so far to be a big power. Thus, it used to say [word indistinct] in the EU and sometimes cried loudly against superpowers. People of this country assume an attitude of being gentlemen and are proud of their high self-esteem. Yet, how on earth do they act so meanly and shamelessly in front of the South Korean puppets? This is because they want to earn some pennies from the South Korean puppets. With this purpose, they have abandoned their face and audacity. Of course, they must have calculated that they will need the puppets' help in the future.

Traitor Kim Yong-sam is a dirty puppet of outside forces, who has not a bit of independence. The South Korean economy is entirely a subordinated colonial economy. Praising this traitor Kim Yong-sam and South Korea and even abusing the title of the chair country of the EU, the French people are trying to curry favor with South Korean and are begging to it. Thus, we can easily guess its current position.

It is needless to mention how other countries view France. South Korea cannot be a party for signing a peace treaty with us just because France says so. Since long ago, we have excluded the South Korean puppets from the issue of signing a peace treaty. The direct parties for a peace treaty is the United States and the DPRK. This is recognized by the world.

Guaranteeing durable peace on the Korean peninsula is an important matter concerning the peace and security of Asia and the world. We will actively make efforts to achieve durable peace on the Korean peninsula by establishing a new peace guaranteeing system.

If the French authorities have reasoning power and want to win the support and confidence of people at home and abroad, they should now stand in a fair position, instead of acting meanly while currying favor with the South Korean puppets.

Paper Denounces Japan's 'Military Strategy'

SK1903084895 Pyongyang KCNA in English 0843 GMT 19 Mar 95

[" 'Third-stage' Military Strategy of Japan for Overseas Aggression"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA)—The Japanese reactionaries must realise that their "third-stage" military strategy will precipitate their own destruction, warns NODONG SINMUN today.

The paper says in a by-lined article:

The Japanese reactionaries worked out a new "third-stage" military strategy in 1991 and have stepped up preparations for overseas aggression.

The keynote of Japan's military policy is not "all-out defence" as ever but "preemptive attack" on the front and buildup of "offensive Armed Forces" for that purpose. Under this policy, the Japanese reactionaries are modernizing the "Self-Defence Forces" [SDF] to form an "offensive army corps," replace the conventional warships with modern large ones, equip them with new facilities for the strengthening of the Navy, increase the long-distance attack capacity of the Air Force, enhance the manoeuvribility of the ground force and increase the firepower.

As part of the scheme, the Japan Agency of National Defence plans to develop a new-generation radar with one billion yen within the three years to come and supply the "SDF" with warplanes equipped with long-range radar from 1997.

What is noteworthy in their preparations for overseas aggression is that they are establishing a wartime system under the pretext of "measure to disputes" and "measure to crisis."

The Japanese Government schemes to increase the capacity of "coping with international disputes" by reorganising the National Security Council with the transport and justice ministers included and installing a panel in the council.

It also plans to raise the Joint Intelligence Council to the status of an official government agency in order to strengthen its function of gathering and analysing information.

The Japanese reactionaries now direct the sharp edge of overseas aggression to the Korean peninsula.

They dream of invading Korea and, with it as the springboard, staging a comeback to Asia. This is, however, a foolish dream. Asia today is not what it was yesterday.

Japan's Attempt To 'Beautify' War Denounced

SK1903144495 Pyongyang Korean Central Broadcasting Network in Korean 0652 GMT 18 Mar 95

["Dialogue" between station reporters Chong Sung-kang and Yi In-chun: "The Japanese Reactionaries' Maneuver To Beautify the Great Crime of Their Past Aggression"]

[FBIS Translated Text] [Yi In-chun] How are you?

[Chong Sung-kang] Fine. How are you?

[Yi] Fine. As of today, with the upcoming 50th anniversary of Japan's downfall in World War II, the Japanese reactionaries have not yet acknowledged the motive of the past aggression and have persistently maneuvered to beautify it. Let us discuss this today.

[Chong] Okay. As has already been reported, the Japanese Diet is now engaged in the play of adopting a so-called resolution [kumusun kyorui chaetaek norum] (?expressing) Japan's bid to make a so-called clean liquidation of the war and its desire for peace on the 50th anniversary of the end of World War II. Japan is saying that it wants to reflect on its past crime of aggression and learn lessons from it by adopting such a resolution. However, moves inside the Japanese Diet over the adoption of the resolution prove that this is aimed at denying and beautifying the crime of aggression Japan committed in the past, rather than on reflection. This is shown by a recent issue of the Japanese newspaper AKAHATA, is it not?

[Yi] Yes, it is. According to the recent issue of the Japanese newspaper AKAHATA, a Dietmen's union for celebrating the 50th anniversary of the end of World War II, made up of about 150 members from the Houses of Representatives and Councillors of the ruling coalition Liberal Democratic Party of Japan [LDP], strongly opposes the adoption of a resolution reflecting on the past war of aggression and is maneuvering for the Japanese Diet to adopt a deceptive resolution declaring its so-called will for peace.

The LDP openly insists that the adoption of a resolution on Japan's self-reflection would indicate Japan's acknowledgement of its biased cognizance of history following the war. This fact clearly shows that the LDP undisguisedly advocates the bloody history of Japan's past aggression.

[Chong] It really does. In the resolution, the current Japanese ruling coalition party uses such evasive words as self-reflection on history including aggressive acts, instead of using the expression war of aggression. Meanwhile, the opposition New Democratic Party of Japan insists on adopting a resolution merely including such superficially attractive words as refuse any war, without mentioning self-reflection or apology. This plainly shows that they are trying to deceive and deride world opinion, denying the aggressive nature of the war that was actually incited by Japan against Asian countries.

[Yi] You are right. The Japanese reactionaries' maneuvers to deny and beautify the crime of savage aggression of the continent committed by the Japanese imperialists during World War II has become all the more unrelenting in recent years. Do you think so?

[Chong] Yes, I think so.

[Yi] Recalling last year alone, Japanese political circles made a series of absurd remarks that beautified the history of bloodshed in Japan's past aggression and that supported militarism, did they not?

[Chong] Yes, they did. For example, in an interview with Japan's MAINICHI SHIMBUN in early May, then Justice Minister Nagano of the Hata cabinet said the Pacific war invoked by the Japanese imperialists was not a war of aggression, but a war of colonial liberation, as well as blared that the mass-killing atrocity in Nanking was a fabricated story.

In addition, not long after the dismissal of Nagano as justice minister, who had been strongly denounced by public opinion at home and abroad for his absurd remarks supporting militarism, Minister Hata, a member of the House of Representatives Budget Committee, persistently opposed defining the war of Japanese imperialists' aggression of the continent as a war of aggression and stated the general characteristic and purpose of the war had not been aggressive, explaining there had been some aggressive acts due to some units' mistakes during their advance into the continent. Then, Hata protected Japan's militarist crime of aggression, blaring that the truth of history can be understood only after the passing of about 100 years, not 50 years.

[Yi] In addition, Sakurai Shin, former director general of the Environmental Agency in the current Japanese cabinet, told reporters the preposterous sophistry that Japan did not wage the war for the purpose of aggression, and that the war enabled Asia to become independent from Europe's colonial subjugation.

Meanwhile, Hashimoto, director general of international trade and industry, openly blared to the Japanese Diet that he had no intention of stating Japan waged a war of aggression during World War II.

Regarding the Japanese imperialists' atrocity of mass-killing in Nanking, House Representative Abe said without hesitation that the killing of thousands of people happens during war. What an unabashed remark this is!

[Chong] In the atmosphere that prevails with such preposterous sophistry, current Japanese cabinet members and Diet members worship at the Yasuguni Shrine, a bloodstained symbol of Japan's militarism; Japanese associations for protecting Japan, for repaying the spirits of the war dead, for maintaining reverence shrines that protect the country, and the like were urged by extreme rightist groups to seek a constitutional amendment to organize the National Committee To Mark the 50th Anniversary of the end of the war and adopt resolutions on beautifying the war of aggression. Meeting this demand, as of the end of December 1994, 12 prefectural governments adopted resolutions respecting the memory of the war dead, all with the LDP's support.

All resolutions insisted that Asia nations' independence from the big power colonial system and their prosperity should be described as the Japanese war dead's contribution and gift. How ridiculous this is!

[Yi] It really is. The resolutions embellish the criminal war of aggression invoked by the Japanese imperialists as a war for the Asian countries' independence and prosperity, distorting historic facts that can neither be concealed nor reversed. This is an intolerable derision of and disgrace to the Asian people who experienced immeasurable misfortune and sufferings.

[Chong] I agree with you.

[Yi] The Japanese reactionaries are denying and beautifying Japan's past crimes more persistently than ever. It is believed this is certainly aimed at realizing their ambition of reaggression, is it not?

[Chong] Yes, it is. The Japanese reactionaries regard those Japanese soldiers stationed in Asian countries in the past as heroes, describing the war of aggression against Asian countries as a sacred war, a war of liberation, a war for peace in the Orient. This is a deliberate maneuver aimed at imbuing the Japanese people, especially young people, with a positive view of the war of aggression as well as pluralism. By doing so, the Japanese reactionaries try to create favorable conditions for accelerating the realization of their ambition to be a military power and to again establish aggression, easily removing legal obstacles to the realization of their old dream for a Greater East Asia Coprosperity Sphere.

The Japanese reactionaries had better not make an incorrect assumption. If they disregard the trend of the time and set out again on aggression, failing to learn a serious lesson from their downfall in World War II, they will face a more disastrous end than the one they faced in that war.

Not only our people, but Asia and the world are keenly watching the Japanese reactionaries who are trying to become a military as well as a nuclear power.

[Yi] That is true. Now it is time to conclude today's discussion. Thank you.

Seminar Held on Normalizing Ties With Japan

SK1703101695 Pyongyang KCNA in English 1005 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—A national seminar on the chuche idea and the normalisation of Japan-DPRK diplomatic relations was held in Nagoya city, Aichi Prefecture, Japan, on March 12 in celebration of the birthday of the great leader Comrade Kim Chong-il.

The participants in the seminar paid a silent tribute to the memory of the great leader President Kim Il-song.

Speeches were made by Mutsuro Kimura, secretary general of the Aichi Prefectural People's Council for the Promotion of Normalisation of Japan-DPRK Diplomatic Relations and chairman of the Aichi Executive Committee; Shuhachi Inoue, director general of the International Institute of the Chuche Idea; Yi Chin-kyu, first vice- chairman of the Central Standing Committee of the General Association of Korean Residents in Japan; and Suezo Arkawa, chairman of the Aichi Council of Trade Unions.

Fujio Hanawa, secretary general of the National Liaison Council of Societies for the Study of the Chuche Idea, made a keynote report under the title "Let Us Advance Together With His Excellency Kim Chong-il."

The reporter said his excellency Kim Chong-il in his work "Socialism Is a Science" explained that socialism will be crowned with victory. As a result, the peoples of different countries fighting under the complex international situation were greatly encouraged and came to be convinced of victory in their struggle, the reporter added.

He recalled that an international seminar on the chuche idea for global independence was held in Denmark in February. If the independence of the people is to be defended, struggle is needed to make Japan independent, he said.

He urged the Japanese Government to renounce the hostile policy toward the DPRK and resume talks with it for normalisation of diplomatic relations.

He called on study societies in different parts of Japan to redouble their activities to study and disseminate the works of his excellency Kim Chong-il and the reminiscences of President Kim Il- song, support the independent and peaceful reunification of Korea and urge the normalisation of diplomatic relations between Japan and the DPRK.

Reports on studies and activities were made at the seminar.

A letter to Comrade Kim Chong-il was adopted there.

Anniversary of Economic Accord With Russia Marked

Kim Chong-u Attends Gathering

SK1703045595 Pyongyang KCNA in English 0437 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—A friendship gathering was held at the Russian Embassy here Thursday on the 46th anniversary of the signing of the agreement on economic and cultural cooperation between Korea and Russia.

Invited there were Kim Chong-u, vice-chairman of the State External Economic Affairs Commission; Kim Chong-ho, vice-minister of Culture and Art; Kim Yong-su, vice-chairman of the Committee for Cultural Relations With Foreign Countries; Yi Pong-hui, vice- chairman of the Radio and Television Broadcasting Committee of the DPRK and chairman of the Korean-Russian Friendship Society; and other officials concerned.

Russian Ambassador Yuri Fadeyev and his embassy officials were present.

Speeches were exchanged there.

Film Showing Marks Anniversary

SK1703045295 Pyongyang KCNA in English 0434 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—A film show took place here on Thursday to mark the 46th anniversary of the signing of the agreement on economic and cultural cooperation between the Democratic People's Republic of Korea and the Russian Federation.

Invited there were Russian Ambassador to Korea Yuri Fadeyev and Embassy officials. Yi Pong-hui, vice-chairman of the DPRK Radio and TV Broadcasting Committee and chairman of the Korean-Russian Friendship Society, and officials concerned and working people in the city were present.

They saw a feature film.

Anniversary of Yemeni Diplomatic Ties Celebrated

SK2003084595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 18 Mar 95

[FBIS Translated Text] On the 32d anniversary of the establishment of diplomatic relations between the DPRK and Yemen, a goodwill meeting with functionaries from the Yemeni Foreign Ministry was held at our country's embassy in Yemen on (?12) March.

Attending the meeting were functionaries from the Yemeni Foreign Ministry, including the vice minister for political affairs and the director of the protocol bureau; and our country's ambassador to this country and embassy functionaries.

In the meeting, the Yemeni vice foreign minister for political affairs said: We hope Korea will be reunified in conformity with President Kim Il-song's proposal for establishing a confederal state. We also hope the DPRK-U.S. framework agreement will be implemented well, and that peace and security on the Korean peninsula are guaranteed. We hope the relationship between Yemen and the DPRK will further develop in various fields—politics, economy, and trade.

The meeting participants watched our country's film entitled "Panmunjom" and a video tape entitled "Korea, a Country of Morning Calm."

Officials Send Greetings to Polish Counterparts

SK1703105795 Pyongyang KCNA in English 1039 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—Kang Song-san, premier of the Administration Council, sent a message of greetings to Jozef Oleksy upon his election as prime minister of the Republic of Poland.

The message wished the prime minister success in his responsible work.

Meanwhile, Foreign Minister Kim Yong-nam sent a message of greetings to Wladyslaw Bartoszewski upon his appointment as minister of foreign affairs of Poland.

Danish Parties Support People's 'Just Cause'

SK2003103195 Pyongyang KCNA in English 1018 GMT 20 Mar 95

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—Political parties and organisations of Denmark staged a demonstration on March 10 supporting the Korean people's just cause of national reunification. They had participated in the forum of non- governmental organisations held in Copenhagen, where the World Summit on Social Development was held.

The demonstrators marched about 4 km section, shouting anti- imperialist slogans and other slogans "Korea is one", "Demolish the concrete wall bisecting Korea" and "Abolish the 'National Security Law' in South Korea".

A large crowd of citizens welcomed them, clapping their hands.

Envoy Pays Farewell Call on Burkinabe President

SK1703135795 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 14 Mar 95

[FBIS Translated Text] Our country's Ambassador Kim Sun-chae paid a farewell call on Burkinabe President Blaise Compaore on 7 March.

At the meeting, the ambassador delivered greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Blaise Compaore. The president expressed deep gratitude for this and asked the ambassador to convey his wholehearted greetings to the great leader Comrade Kim Chong-il. The president stated:

Dear his excellency Kim Chong-il, great leader of the DPRK people, has been leading the socialist construction with his seasoned leadership since the death of the great leader President Kim Il-song. I was impressed by his greatness. Although his excellency President Kim Il-song, the great leader of the people of the world, passed away, the DPRK people have overcome their deep sorrow and are now achieving great results in socialist construction and external affairs under the outstanding leadership of his excellency Kim Chong-il.

Burkina Faso and the DPRK have consolidated their friendly and cooperative relations while expanding mutual understanding. I am satisfied with this, and again thank the great leader Comrade Kim Chong-il for making great efforts to further consolidate and develop the excellent relations between the two countries. We support the method of national reunification put forward by the government of the Republic and hope Korea will be reunified as soon as possible.

Kim Chong-il Work Published in Foreign Languages

SK2003103095 Pyongyang KCNA in English 1016 GMT 20 Mar 95

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—"Socialism Is a Science," a work of the great leader Comrade Kim Chong-il, (November 1, 1994) was published in foreign languages recently by the foreign languages press group.

The work consists of a preface and three chapters.

Comrade Kim Chong-il in the preface of the work indicates the truth that although socialism is temporarily experiencing a setback, it will without fail be revived and win ultimate victory for its scientific accuracy.

Chapter 1 of the work expounds that in order to realize the masses' independence, one should build socialism with the chuche idea as a guideline.

Noting that socialism is the ideal and the revolutionary banner of the popular masses who are fighting for independence, Comrade Kim Chong-il says the masses achieve their independence by means of socialism and communism.

Chapter 2 propounds that the scientific character and truth of our socialism lies in the fact that it is based on the absolutely correct, chuche-orientated view of and attitude to man.

Comrade Kim Chong-il indicates that ours is a most scientific socialism which makes it possible to immensely enhance the position and role of man, based on the chuche-orientated view of and attitude to the essential quality of man, and a true man-centred socialism which makes the people lead a genuine life, based on the chuche-orientated view of and attitude to the essence and the value of man's life.

Expounded in the Chapter 3 is the idea that socialism regards the people as masters of everything of society, based on the chuche- orientated view of and attitude to the masses, and to this end, it must be relied on the benevolent politics.

Comrade Kim Chong-il expounds the essential quality of the popular masses, the driving force of history, the essential demand of socialism centred on the masses and the conversion of its politics into politics of love and trust.

Comrade Kim Chong-il in the last part of the work says that the Workers' Party and people of Korea are faced with the heavy yet honorable task of carrying forward and consummating through generations, the socialist cause of chuche which was initiated and led by the great leader President Kim Il-song. He declares that our party will accomplish the socialist cause of chuche by believing in and relying on the people.

Kim Chong-il Sends Greetings to Iran's President

SK2003103395 Pyongyang KCNA in English 1025 GMT 20 Mar 95

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—The great leader Comrade Kim Chong-il sent a telegram of greetings to Iranian President 'Ali Akbar Hashemi-Rafsanjani on the occasion of the Islamic new year. Comrade Kim Chong-il in the telegram expressed the belief that the friendly and cooperative relations between the two countries forged in the joint struggle for independence against imperialism would further expand and develop in various domains in the new year.

He wished the Iranian president and people great success in their work for the country's prosperity and him good health and happiness.

Kim Chong-il Sends Replies to Foreign Leaders

SK1803053395 Pyongyang KCNA in English 0438 GMT 18 Mar 95

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA)—The great leader Comrade Kim Chong-il sent telegrams to foreign party and state leaders in reply to their telegrams of condolence on the death of Marshal of the Korean People's Army O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], first vice-chairman of the National Defence Commission of the DPRK, member of the Central Military Commission of the WPK and minister of the People's Armed forces.

The replies were sent to Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission of the PRC; Hafiz al-Asad, president of the Syrian Arab Republic; Norodom Sihanouk, king of the Kingdom of Cambodia; Norodom Ranariddh, first prime minister of the Kingdom of Cambodia and chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] Party; Chea Sim [name as received], chairman of the Central Committee of the People's Party of Cambodia and president of the National Assembly of the Kingdom of Cambodia; Benazir Bhutto, prime minister of the Islamic Republic of Pakistan; Sani Abacha, head of state and commander-in-chief of the Armed Forces of the Federal Republic of Nigeria; Alpha Oumar Konare, president and head of state of the Republic of Mali; Obiang Nguema Mbasogo, president and head of state of the Republic of Equatorial Guinea and founder-chairman of the Democratic Party of Equatorial Guinea; Liamine Zeroual, president and minister of National Defence of the Algerian Democratic and People's Republic; Muhammed Husni Mubarak, president of the Arab Republic of Egypt; Zoran Lilic, president of the Federal Republic of Yugoslavia; Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba and minister of the Revolutionary Armed Forces of the Republic of Cuba; and Genaro Ledesma Izquieta, chairman of the People's Front of Workers, Peasants and students of Peru.

In his replies, Comrade Kim Chong-il expressed deep thanks to them for the telegrams expressing their deep condolences.

Kim Chong-il's 'Socialist Politics' Praised

SK2003102995 Pyongyang KCNA in English 1009 GMT 20 Mar 95

["Great Leader Who Exalts Socialism With Benevolent Politics"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—Respected Comrade Kim Chong-il is a socialist political leader who is bringing a true socialist politics, benevolent politics into reality, says NODONG SINMUN in a by-lined article March 19.

The great Comrade Kim Il-song was the most experienced leader of the people who opened up a new era of genuinely socialist politics, benevolent politics for the first time in history, and the great leader Comrade Kim Chong-il is an outstanding socialist political leader who set a brilliant example of socialist politics by enforcing the benevolent politics, the article says.

It quotes the great leader Comrade Kim Il-song as saying:

"Today, our people call the politics of Comrade Kim Chong-il politics of love, politics of trust and all-embracing politics. This is an expression of their trust in and praise for him who trusts them and devotes everything to them."

The author of the article says:

First of all, the great leader Comrade Kim Chong-il enforces politics of love and trust, grasping the chuche idea as a political philosophy.

The principle of chuche calling for believing in the people as in heaven and relying on their strength is, indeed, a political creed of respected Comrade Kim Chong-il and a basic source which makes it possible to enforce the politics of love and trust on the highest level. As the popular masses are the most valuable beings and the most powerful beings in the world, respected Comrade Kim Chong-il considers it an iron rule in politics to always believe in the people and find himself among them and solve all the problems arising in the revolution and construction in conformity with the aspirations and requirements of the people.

He also strengthens the political organisations as a servant of the people, through which he enforces politics of love and trust.

He newly defined the essence of the party and the power as serving the people. It is the greatest exploit of Comrade Kim Chong-il in carrying out the benevolent politics that the Workers' Party of Korea has been built into a motherly party. With our party built as a motherly party and the government power as a faithful servant of the people, the people's support for and trust in the party and the government have increased with each passing day.

Comrade Kim Chong-il takes the politics of love and trust as a method of socialist politics.

The political method of love and trust consistently enforced by Comrade Kim Chong-il is characterised by precedence given to the political work at all times and the upper bodies helping the lower bodies and demonstrating comradely cooperation. Whenever a heavy task was raised before the revolution, respected Comrade Kim Chong- il, firmly believing in the popular masses, found himself among the people and inspired them to display their high enthusiasm and creative ingenuity. In this way, he surmounted the difficulties and made a great advance in the revolution and made the whole country animated with the great revolutionary upsurge by creating examples in one place and generalising them. Hence, the revolution and construction have advanced and the invincible vitality of socialism has been demonstrated fully in our country thanks to the high ideological zeal of the popular masses.

The socialist cause of chuche will be successfully carried forward to accomplishment as there are the wise politics of the great leader who is making our country, our motherland more prosperous, the most advantageous socialist system of Korean style and fine people who have grown up under the care of the leader.

Kim Chong-il Sends Birthday Tables

SK2003054295 Pyongyang KCNA in English 0501 GMT 20 Mar 95

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—The great leader Comrade Kim Chong-il sent a benevolent seventieth birthday table to Kim Yong-ae, daughter-in-law of Yi Kwang, an anti- Japanese revolutionary fighter.

Yi Kwang was one of the revolutionary soldiers whom the great leader President Kim Il-song remembered whenever he looked back upon the anti-Japanese armed struggle.

President Kim Il-song in his lifetime met with Kim Yong-ae and appreciated her bringing up her son to carry farward the generation of the revolution.

Receiving the birthday table, Kim Yong-ae said that she will bring up all her family members so as to hold in high esteem general Kim Chong-il with loyalty and filial piety and thus repay the benevolence President Kim Il-song and Comrade Kim Chong-il bestowed upon her.

Comrade Kim Chong-il also sent a centenial birthday table to Yu Ye-sun (woman) who is residing in Pongchon-up, Pongchon County, South Hwanghae Province.

Kim Chong-il, KPA Meeting Group Photographed

SK1703054995 Pyongyang KCNA in English 0505 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—The great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defense Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], on March 17 had a picture taken with the participants in the meeting of company commanders and political instructors of the Korean People's Army.

The moment Comrade Kim Chong-il appeared in the hall, the participants in the meeting warmly welcomed him with thunderous cheers "hurrah," "Kim Chong-il" and "singlehearted unity".

KPA company commanding officers of the three services presented him with bouquets of flowers reflecting the deep respect and reverence of the participants and all KPA officers and men for him.

Comrade Kim Chong-il waved to the participants in acknowledgement of their enthusiastic cheers for joy and expressed the belief that the company commanders and political instructors would achieve greater achievements in the efforts to more firmly build their companies politically and militarily and strengthen and develop the People's Army into the main force in accomplishing the revolutionary cause of chuche.

Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-charman of the DPRK National Defense Commission, member of the Central Military Commission of the WPK and chief of the general staff of the KPA; Vice Marshals of the KPA Yi Ul-sol, Kim Kwang-chin and Kim Pong- yul, members of the DPRK National Defense Commission and members of the Central Military Commission of the WPK, and other generals of the KPA were present.

Kim Chong-il, KPA Commanders View Performance

SK1903085395 Pyongyang KCNA in English 0849 GMT 19 Mar 95

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], together with the participants in the meeting of KPA company commanders and political instructors, appreciated famous pieces of music under the title "Song of Hearts Following the General" performed by the artistes of the KPA Song and Dance Ensemble at the February 8 House of Culture.

When Comrade Kim Chong-il appeared in the box amid the playing of the welcome music, a storm of cheers "hurrah" burst forth and shook the hall.

Among the audience were Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea [WPK], vice- chairman of the National Defence Commission of the DPRK, member of the Central Military Commission of the WPK and chief of the General Staff of the KPA; KPA Vice Marshal Kim Kwang-chin and General Yi Ha- il, members of the National Defence Commission of the DPRK and members of the Central Military Commission of the WPK; General Yi Pong-won and General Kim Myong-kuk, members of the Central Military Commission of the WPK; and other generals of the KPA.

The performance which began with the chorus "Cantata to Marshal Kim Il-song," "Nostalgia" and "The Red Flag" included a man's vocal solo, mixed chorus, kayagum ensemble, men's small chorus, mixed quartet, men's grand chorus and other pieces.

The performers impressively depicted the proud history of the Korean revolution which has vigorously advanced along the road of victory and glory, pulling through difficulties and ordeals, and the militant spirit and will of the Korean People's Army to accomplish the revolutionary cause of chuche under the leadership of the WPK.

Comrade Kim Chong-il waved to the artistes on their successful performance and warmly acknowledged the enthusiastic cheers of KPA soldiers.

He expressed deep satisfaction and extended thanks to the musicians and other artistes of the KPA Song and Dance Ensemble for their successful performance befitting a revolutionary and militant unit of artistes.

Performances Described

SK1903101895 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 19 Mar 95

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], along with participants of the meeting of KPA company commanders and political instructors, appreciated famous pieces of music under the title "Song of Hearts Following the General" performed by the artistes of the KPA Song and Dance Ensemble.

Comrade Kim Chong-il, the great leader [yongdoja] of our party and people who is also the chairman of the DPRK National Defense Commission and supreme commander of the KPA, along with participants from the meeting of KPA company commanders and political instructors, appreciated famous pieces of music under the title "Song of Hearts Following the General" performed by the artistes of the KPA Song and Dance Ensemble at the February 8 House of Culture.

When Comrade Kim Chong-il appeared in the box amid the playing of the welcome music, a storm of "hurrah" burst forth and shook the hall.

Those who appreciated the performance were Comrade Choe Kwang, member of the Workers Party of Korea [WPK] Central Committee Political Bureau, vice chairman of the DPRK National Defense Committee, member of the WPK Central Military Commission, and chief of the KPA General Staff; KPA Vice Marshal Kim Kwang-chin and General Yi Ha-il, members of the DPRK National Defense Commission and the WPK Central Military Commission; Generals Yi Pong-won and Kim Myong-kuk, members of the WPK Central Military Commission; Colonel Generals Kim Ha-kyu and Pak Chae-kyong; and other KPA generals.

The performance—which began with the chorus "Cantata to Marshal Kim Il-song," "Nostalgia" and "The Red Flag"—included a man's vocal solo of the anti-Japanese war song "My Song Among Comrades-in-Arms"; a mixed chorus of "May of Victory"; a kayagum ensemble of "Victory on Chiktong Hill"; a men's small chorus of "Soldiers Listening to the Sound of Rice Plants"; a mixed quartet of "Friendship of Hills"; men's grand choruses of "Where Are You, Unforgettable General," "On the Way to the Decisive Battle," and "Earnest Desires of Warriors"; and various other pieces.

The performers impressively depicted the proud history of our revolution, which has vigorously advanced along the road of victory and glory, pulling through difficulties and ordeals, as well as the militant spirit and will of the KPA to accomplish the chuche revolutionary cause to the end under the leadership of the WPK.

The audience appreciated the performances filled with militant spirits, loudly sang songs of struggle and songs of victory, and proudly recollected the past in which they glorified the arduous revolutionary annals with feats. They also consolidated their burning determination to more resolutely fight while loudly singing songs of the leader [suryong] and songs of the party.

When the performance was over, cheers of "hurrah" burst forth in the hall.

Comrade Kim Chong-il waved to the artistes on their successful performance and warmly acknowledged the enthusiastic cheers of the KPA soldiers.

Comrade Kim Chong-il also expressed deep satisfaction and extended thanks to the musicians and other artistes of the KPA Song and Dance Ensemble for their successful performance befitting a revolutionary and militant unit of artistes.

State Decorations Awarded to KPA Commanders

SK1703105195 Pyongyang KCNA in English 1042 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—State decorations and gifts were awarded to the participants in the meeting of company commanders and political instructors of the Korean People's Army [KPA] with a due ceremony at the Pyongyang Indoor Stadium today.

The title of Hero of the DPRK was awarded to Hong Sam-phyo and Han Hyo-ryong and state decorations to many other officers for the great contribution they had made to the increase of the political and military strength of the KPA by working hard to strengthen the companies of the KPA with intense loyalty and devotion to the party and the leader, the country and the people.

Gifts from supreme commander of the Korean People's Army Comrade Kim Chong-il were awarded to all the participants in the meeting.

Workers Party Answers Foreign Birthday Greetings

SK2003054395 Pyongyang KCNA in English 0458 GMT 20 Mar 95

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—The Central Committee of the Workers' Party of Korea sent telegrams to foreign parties in reply to their messages of greetings on the birthday of the great leader Comrade Kim Chong-il.

The telegrams were sent to the Political Bureau of the Action for the Renaissance of Madagascar; the Political Bureau of the New Party of the Congress for the Independence of Madagascar; the Central Committee of the Mozambique Liberation Front Party; the Central Executive Committee of the People's National Congress of Guyana; and Chairman Jose Gonzalez Espinosa, Secretary General Esteban Diaz Jaquez and International Secretary Jose Oviedo Landestoy of the Central Committee of the Dominican Labour Party.

The telegrams express deep thanks for warm congratulations extended on the birthday of Comrade Kim Chong-il.

They express the belief that the friendly and cooperative relations between the WPK and the abovesaid parties will continue to grow in strength and develop on the road of independence against imperialism.

WPK Sends Greetings to Cambodian Party Leader

SK2003104795 Pyongyang KCNA in English 1035 GMT 20 Mar 95

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA)—The Central Committee of the Workers' Party of Korea today sent a telegram of greetings to Norodom Ranariddh, chairman of the Funcinpec [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] Party on the 14th anniversary of the foundation of the party.

The message said that it is rejoiced over the great success of the party in its work to defend the national interests of the Cambodian people and build a new prosperous Cambodia after his majesty esteemed King Norodom Sihanouk became the leader of the country and nation in accordance with the desire and intention of the entire Cambodian people.

Expressing the belief that the friendly and cooperative relations between the two parties would continue to develop on good terms, the telegram wished H.R.H. the prince greater success in his noble work for the strengthening and development of his party and for the country and people.

Students Mark Anniversary of 'Masan Uprising'

SK1803050095 Pyongyang KCNA in English 0448 GMT 18 Mar 95

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA)—The director of the youth and student department of the Central Committee of the National Democratic Front of South Korea in a statement on the 35th anniversary of the March 15 Masan uprising said that one million students should hold high the torchlight of independence, democracy and reunification with an iron will, deeply conscious of their mission and duty before the times and the nation.

He said:

The Masan people's uprising on March 15, 1960 was an eruption of popular rancour and wrath at the fascist dictatorship and corrupt politics of the traitor Syngman Rhee and a tremendous outburst of irresistible aspirations of the people for an independent, democratic new politics, a new society and a new life.

35 years have passed since the March 15 Masan uprising, but the independence, democracy and reunification which were called for by the uprisers have not come true. The Kim Yong-sam regime which is harsher than the successive dictatorial regimes has sprung up like a poisonous mushroom and shrouded the whole of South Korea with a cold wave of "new-security" suppression under the cloak of "civilian" government and ruthlessly suppresses the struggle of patriotic people of all strata for independence, democracy and reunification.

No matter how desperately the Kim Yong-sam traitorous group brings about a wild gale of "new-security" suppression and resorts to new anti-communism, they cannot extricate themselves from catastrophic fate and the "civilian" dictatorial group cannot dampen the faith and fighting spirit of youth and students for independence, democracy and reunification.

For the present, youth and students should turn out in an undaunted struggle to smash the plot of the Kim Yong-sam group to rig the upcoming "election of local autonomous bodies from the beginning, taking it as a strategic target to lay the dictatorial foundation of the 'Democratic Liberal Party'".

The South Korean Federation of General Student Councils, an unbreakable patriotic rank, and the one million students must closely unite as one man to wage once again a fierce resistance of all people like the April 19 people's uprising in this land where ruinous clouds of subjugation, fascism and national division are hanging over.

Sunchon Power Plant Maintains High, Steady Rate

SK1703103795 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 16 Mar 95

[FBIS Translated Text] Electric power producers at the Sunchon Thermal Power Plant maintain a high and steady rate of production. Being well aware that electric power is production, and that achieving upsurges in production depends on the increase of electric power, electricity producers at this plant produce much electric power daily by operating all power generating facilities at full capacity.

In particular, electric power producers at Workshop No. 1 keep fulfilling highly-set daily production goals by operating generators in accordance with the demand of the technical specifications, tenaciously checking generating facilities. Electric power producers at this workshop also produce more electric power than planned daily, establishing a strict system for checking and repairing facilities.

* Officials Urged To Implement Economic Policy

952C0073A Pyongyang MINJU CHOSON in Korean 18 Dec 95 p 2

[Article by Choe Myong-hui: "To Actively Struggle To Implement the Party Revolutionary Economic Policy Is an Honorable Task for Administrative Economic Functionaries"]

[FBIS Translated Text] At a time when a vigorous struggle is under way to fulfill the cause of socialism under the banner of the chuche ideology, we are faced with an important task to thoroughly implement the party's revolutionary economic strategy.

The dear leader pointed out as follows: "To bring about an advance in socialist economic construction through a thoroughgoing implementation of the revolutionary economic strategy outlined by the party is the most important revolutionary task confronting us today."

On the basis of a scientific analysis of the current situation and the present state of socialist economic construction in our country, our party has outlined a new revolutionary economic strategy and is now wisely leading the struggle for its implementation.

An important requirement for accelerating socialist construction vigorously and giving full play to the superiority of our form of socialism is the thoroughgoing implementation of the revolutionary economic strategy of putting the coal and electric power industries and railway transportation—the leading sectors of the national economy—firmly ahead of other sectors and continuing to develop the metal industry along with the agriculture-first, light-industry-first, and trade-first policies, under party leadership.

In order to staunchly protect, defend, and continue to glorify socialism, it is necessary to raise the people's living standards still higher and effect continual upsurges in economic construction. Only by so doing is it possible to make the people become keenly aware of the superiority of socialism through their experiences in life so that they will struggle staunchly to defend our superior socialism, thereby boosting the economic strength of the country in every possible way.

To solve the people's livelihood problems and bring about upsurges in economic construction as desired by the party, we need to thoroughly implement the revolutionary economic strategy. In the thoroughgoing implementation of the party's revolutionary economic strategy, it is important to enhance the sense of responsibility of our administrative economic functionaries and their role. Success in the implementation of the party's economic strategy depends in large measure on how well our administrative economic functionaries, charged with the important duty to organize and execute the country's administrative economic work, perform their role. Only by meticulously organizing administrative economic work in their respective sectors and units, and pushing it forward in a revolutionary way, can our administrative economic functionaries thoroughly implement the party revolutionary economic strategy and satisfactorily fulfill their intrinsic duty as the loyal revolutionary fighters of the party and the leader and as true servants of the people. Therefore it is an honorable task for our administrative economic functionaries to actively struggle for the thoroughgoing implementation of the party's revolutionary economic strategy.

Struggle to thoroughly implement the party's revolutionary economic strategy is an honorable task for our administrative economic functionaries, primarily because it is a task to brilliantly put into practice the late great leader's teachings on improving the people's living conditions.

The struggle to implement the party-outlined revolutionary economic strategy is in substance aimed at radically raising the people's living standards. Raising the people's living standards constitutes a guarantee for bringing about revolutionary upsurges in every front of socialist construction by giving full play to the revolutionary zeal and creative positiveness. Only by raising the people's living standards is it possible to further solidify the monolithic unity of our society, intensify the people's faith with socialism, and give full play to the superiority of our form of socialism.

The great leader set forth as the paramount principle for the party and the state, the struggle to improve the well-being of the people, and had dedicated all his efforts and energies to putting it into practice until the last moment of his life. Saying that it was his wish to enable our people to afford to eat cooked polished rice with meat soup, wear silk clothes, and live in tile-roofed homes, the great leader always walked down the road on interminable on-the-spot guidance tours to solve problems involving socialism. Thanks to him, all the people in our country live in happiness without having to worry about food, clothing, shelter, medical treatment, and their future. Nevertheless, the current livelihood of our people has not reached the same satisfactory level as envisioned by the fatherly leader's foresight. To solve the people's livelihood problems exactly as wished by the great leader when he was alive, we need to thoroughly implement the party's revolutionary economic strategy; and in this regard, our administrative economic functionaries are charged with heavier responsibilities than anyone else.

Administrative economic functionaries are the ones who directly organize and command the struggle to implement the party's revolutionary economic strategy; and success in administrative economic work depends in large measure on the sense of responsibility and role of the functionaries responsible for the implementation of this strategy. Administrative economic functionaries are the ones who organize and push forward practical economic tasks to implement the economic strategy and manage the overall economy of the country. Accordingly, only when administrative economic functionaries struggle actively to implement the revolutionary economic strategy in accordance with the party's intention, is it possible to satisfactorily press forward operations for production and the task to guarantee necessary technical economic conditions and thus achieve good results in production and construction. This bespeaks that when administrative economic functionaries actively struggle to implement the party's economic strategy, profoundly aware of their noble duty to the party and the state, our people's living conditions will be improved accordingly and greater successes achieved in socialist economic construction.

It is by carrying out the late great leader's teachings thoroughly and fulfilling the party-proposed tasks brilliantly that administrative economic functionaries can requite the party's trust and meet the people's expectations. No task is more honorable and rewarding for our functionaries—the leader's true revolutionary warriors and faithful servants of the people—than that of struggling to raise the people's living standards as intended by the party. Only through an active struggle to fulfill the assigned tasks in their respective sectors and units in a timely fashion, can administrative economic functionaries actively push forward the nation's overall economic programs and satisfactorily solve important problems involved in improving the people's living conditions. Therefore, for our administrative economic functionaries to struggle to implement the party's revolutionary economic strategy is not merely economic administrative work but an important political task to improve the people's living conditions in accordance with the teachings of the late fatherly leader, and as such, an infinitely honorable and rewarding task.

Another reason that to actively struggle to implement the party's revolutionary economic strategy becomes an honorable task for our administrative economic functionaries is that this struggle is a task to strengthen the country's economic might by properly utilizing the existing economic foundations.

Thanks to the wise leadership of the party and the leader, the firm foundations of a chuche-based self-reliant economy exist and all necessary conditions are in place in our country today for producing whatever we once decide to produce. The problem is how to utilize the existing economic foundation, and this depends on the way our administrative economic functionaries organize and command production work. Whatever task they organize, functionaries organize it in accordance with the principle of properly utilizing the existing economic foundations and push forward production and construction in a manner suited to the existing economic conditions. Only by so doing can they solve properly all food, clothing, and shelter problems of the people; continually increase production in all sectors; and strengthen our power of economic self-reliance, making it invincible. It follows that to properly utilize the existing economic foundations is a fundamental principle in organizing and executing economic work; and our administrative economic functionaries in charge of economic tasks are the ones who put this principle into execution. Only when administrative economic functionaries perform meticulous economic organization work in accordance with the principle of properly utilizing the existing economic foundations in organizing and commanding production is it possible to strengthen the nation's material and economic potential so that our people may get along by their own efforts, offering a promising prospect for capturing a new height in socialist construction.

The task of properly utilizing the existing economic foundations is not performed in any particular sector nor by any particular unit alone, but it is a task designed to adjust the pace and achieve balance in economic development in overall aspects of the people's economy, in a rational manner and guarantee socialist economic development. Accordingly, this task is performed by administrative economic functionaries, who are directly in charge of tasks to implement the party's economic policy, and who organize and command the struggle to carry out these tasks on a national scale. Only when administrative economic functionaries enhance their role is it possible to organize work to properly utilize the existing economic foundations on a national scale, satisfactory push forward the task to guarantee necessary technical economic conditions for that utilization, and synchronize the organization of and command over production with the progress in this task. This task [the task to implement the party's economic strategy] makes it possible to guarantee an overall balance in the national economy, accelerate socialist economic construction, and thus boost the country's economic might in every possible way, particularly by enabling the persons concerned to set the direction for the struggle in accordance with the party's intention and concentrate efforts on the struggle, and take uniform control of all productive resources, distributing and utilizing them in a planned manner. As you see, the task to implement the party's economic policy is a most rewarding and honorable task to prepare the economic potential necessary to secure food, clothing, and shelter for our people in a fool-proof manner, in the face of the vicious machinations of the imperialists, by boosting the country's economic strength. This is an important revolutionary task assigned to our administrative economic functionaries.

Today our party is urgently calling upon our administrative economic functionaries to creditably fulfill their honorable mission and duty in the struggle for the thoroughgoing implementation of the party's revolutionary economic strategy. All administrative economic functionaries must bring about a great upturn in all aspects of economic construction by satisfactorily fulfilling their responsibilities and roles in the sacred struggle to implement the party's revolutionary economic strategy. Through this endeavor they must boost the country's political and economic strength in every possible way and give full play to the superiority of our form of socialism.

South Korea

North Envoy Shows 'Flexible Posture' on Deadline

SK1803015995 Seoul YONHAP in English 0151 GMT 18 Mar 95

[FBIS Transcribed Text] United Nations, March 17 (YONHAP)—Pak Kil-yon, North Korean ambassador to the United Nations, said Friday that the date, April 21, stated in the Geneva agreement for the conclusion of an agreement between the Korean Peninsula Energy Development Organization (KEDO) and North Korea for the supply of light-water reactors, is not a deadline but a target date.

Pak made the remarks while meeting with a group of reporters at the UN headquarters here Friday afternoon.

Asked if the Geneva agreement would be automatically scrapped should a reactors supply agreement fail to be signed by April 21 due to the United States' insistence on a South Korean model, Pak said, "We will think about our position then."

Ambassador Pak's remarks represented a more flexible posture of North Korea in respect to the reactors question.

Earlier the North Korean Foreign Ministry threatened that if a reactors supply agreement was not concluded by April 21, they would reactivate a 5-megawatt experimental reactor and take some other steps to partially defreeze their now-frozen nuclear programs.

U.S. Nuclear Ambassador Robert Gallucci warned recently that if North Korea repeals the nuclear agreement after April 21, his country would consider taking strong counteractions including a UN Security Council sanction.

The North Korean ambassador also said that once a reactors agreement is signed, it would be a matter of course for North Korea to deal with the KEDO on a commercial basis.

The remarks were taken to display Pyongyang's policy to accept the KEDO as the conduit for negotiations over the nuclear reactors issue.

On the controversial issue of whether to accept a South Korean model, Pak said, "Our position remains firm that South Korea cannot be the main contractor in the construction of reactors."

However, North Korea does not oppose South Korean industries' participation in the construction of light-water reactors, Pak said.

Researcher: North Possesses 3 Nuclear Bombs

SK1803010595 Seoul YONHAP in English 0058 GMT 18 Mar 95

[FBIS Transcribed Text] Seoul, March 18 (YONHAP)—North Korea already possesses three nuclear bombs, an American researcher claimed Friday.

"North Korea is judged to have already secured three 15-kiloton class atomic bombs, an improved version of the atomic bomb dropped on Hiroshima," Dr. Kim Yong-hun, a Korean-American, claimed.

Kim is the Korea security director at the American Security Council Foundation (ASCF), an American private research institute and think tank for the U.S. Republican Party on international relations and security affairs.

Kim made the claim in a paper entitled "The Nature of the Kim Chong-il System and Our Security" that he delivered at a policy debate session held at Les Champs-Elysees Center in southern Seoul Friday afternoon sponsored by the Korea Development Research Center.

Kim made the claim saying, "a former director-general of the International Atomic Energy Agency (IAEA) has recently made the revelation in the United States."

"It is judged that North Korea has stocked enough plutonium to produce 250 atomic bombs in the future," Kim added. "The North is also developing Nodong-3 missiles the range of which can reach Alaska, United States."

North Charge About Nuclear Storage Site Denied

SK2003113195 Seoul YONHAP in English 1116 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—The South Korean Government on Monday categorically rejected the North Korean charge against the planned construction of a nuclear waste storage yard on Kurop-do off the west coast.

"There is no reason whatsoever why North Korea should dispute the planned nuclear waste yard designed to safely manage radioactive waste resulting from the peaceful use of atomic energy," a government statement said.

Pyongyang has recently threatened to scrap the South-North agreement and take "resolute counter-actions" unless the waste yard project is canceled.

The statement issued by Kim Kyong-ung, spokesman for the National Unification Board, said, "We cannot but express deep regret over the stereotyped and threatening utterances of North Korea."

Saying that almost every country has such nuclear waste storage yards, the spokesman said the reasonableness of the Kurop-do project in terms of safety and location has duly been recognized by International Atomic Energy Agency (IAEA) experts.

"Instead of making an unfounded charge against us, North Korea should return to the table of dialogue and promptly translate bilateral agreements into action," the statement said.

Expressing the wish that the latest charge does stem from their ulterior motive to find a clue to scrapping inter-Korean agreements, it said no attempt to shatter the South-North declaration for denuclearization and other agreements can be tolerated as the agreements form a peace and unification charter duly ratified by the top leaders of both sides.

Poland Considers 'Retaliation' for DPRK Move

SK2003021195 Seoul TONG-A ILBO in Korean 20 Mar 95 p 3

[FBIS Translated Text] It was learned on 19 March, that Poland is seeking ways to reduce the number of officials stationed in bilateral embassies in diplomatic retaliation against North Korea's pressure to withdraw the Polish delegation from the Neutral Nations Supervisory Commission [NNSC].

While reducing the number of Polish embassy officials from six to three or four, Poland is reportedly mapping out measures to oust the limited number of officials at the North Korean embassy in Poland. The Polish Government has reportedly informed our government of its plan to announce such steps by as early as this week.

A government official said: "The Polish Government has notified our government about its firm will to take retaliatory action against North Korea and to continously carry out its NNSC mission regardless of where its delegation is stationed."

N-S Assembly Delegates Meeting Proposal Planned

SK2003121295 Seoul YONHAP in English 1122 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—The South Korean National Assembly plans to propose to North Korea the exchange of visits by South and North Korean parliamentary delegates.

The proposal is to be made at the 93rd Inter-Parliamentary Union (IPU) congress slated for Madrid, Spain on March 27.

Rep. Pak Chong-su, head of the South Korean delegation to the IPU meeting, said Monday his delegation will also ask North Korea to resume the stalled South-North parliamentary talks.

"In my keynote speech at the Madrid IPU meeting, I will formally ask for mutual visits by the South and North Korean IPU delegations and the resumption of the suspended parliamentary talks," Pak said.

He recalled that at the 1990 IPU meeting in Cyprus, the two Koreas agreed in principle on the exchange of IPU delegations.

Park said his delegation will have formal and informal contacts with North Koreans during the period of the Madrid congress to urge the resumption of overall South-North dialogue.

North Korea, which did not attend the previous IPU congress in Copenhagen last September in the wake of the death of Kim Il-song, is expected to attend the Madrid meeting, an assembly source said.

North Offers To Barter Zinc for Anthracite Coal

SK2003071795 Seoul YONHAP in English 0705 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—North Korea wants to barter its zinc ingots for South Korean anthracite coal, the International Trade and Industry Ministry said Monday.

Yongpoong Corp., which has purchased North Korean zinc ingots several times, recently received an offer from North Korea through a corporation in China's Heilongjiang Province, which said North Korea wanted to trade anthracite coal from the South for its zinc ingots.

Yongpoong is consulting the ministry about the North Korean offer.

North Korea wants to buy about 500,000 tons of anthracite coal a year from the South, but offered only 30 U.S. dollars per ton—30 percent of South Korea's domestic price.

So it remains to be seen whether or not the trade will be realized, a ministry official said.

Official on Plan To 'Vitalize' N-S Cooperation

SK1903042695 Seoul YONHAP in English 0417 GMT 19 Mar 95

[FBIS Transcribed Text] Seoul, March 19 (YONHAP)—South Korea is expected to intensify efforts to promote business links with the North.

"The government will take a more forward-looking stance to vitalize economic cooperation with the North," a senior government official said Sunday.

The official made the remarks noting President Kim Yong-sam's statement in Berlin earlier this month that Seoul "is prepared to make any efforts and sacrifices required for shortening the three- stage process of unification."

The statement indicates that South Korea will approach economic cooperation with the North not merely through economic principles, but will apply political consideration to it, the official explained.

"Various measures to shorten the first stage of reconciliation and cooperation are being formulated," the official said.

Included among them are a sharp increase in the ceiling of investment South Korean enterprises are allowed to make in the North and encouraging South Korean businesses to venture into North Korea's Rajin-Sonbong Free Trade Zone and to undertake infrastructure projects in the North more positively, according to the official.

A formula to provide the North with long-term, low-interest loans is also being studied seriously, the official added.

Ways Studied To Ease North Economic Hardship

SK1903074795 Seoul YONHAP in English 0722 GMT 19 Mar 95

[FBIS Transcribed Text] Seoul, March 19 (YONHAP)—The government is studying various ways to help ease North Korea's economic difficulty, it was learned Sunday [19 March].

In its efforts to activate economic cooperation with the North, the government plans to promote it in such a way as help ease the economic hardship of the North and raise the residents' standards of living, a government official said.

The administration also plans to help Pyongyang join international economic organizations and realize inter-Korean economic cooperation in the international arena, according to the source.

Another plan calls for providing indirect support to the North so that it may induce foreign investments from the West.

"North Korea, having sustained minus growth in the past five years, is virtually on the verge of bankruptcy," the official said. "An aggravated economic difficulty in the North would affect inter- Korean relations adversely."

KFTA on North Economic Channels Reorganization

SK2003014195 Seoul YONHAP in English 0117 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—North Korea may have dissolved the two organizations in charge of international economic cooperation, and newly established a "general bureau" to unify the channels for cooperation, the Korea Foreign Trade Association (KFTA) said Monday.

Pyongyang began to study the reorganization in the second half of last year in an effort to get rid of the ill effects of overheated competition between the two organizations—the Koryo People's Industrial Development Council and the Committee for the Promotion of External Economic Cooperation—KFTA said.

Although the reorganization has yet to be announced, North Korea has already removed the two organizations and, instead, set up a General Bureau for External Economic Cooperation under the External Economy Commission, led by Yi Song-dae, a KFTA official presumed.

Naturally, the bureau absorbed the "companies," which had directly negotiated or contracted with foreign and South Korean enterprises under the organizations, and plans to establish its representatives in Beijing soon, according to the official.

The representatives in Beijing of the Koryo People's Industrial Development Council have resigned from their positions, he said.

Meanwhile, Im Tae-dok, secretary of the Committee for the Promotion of External Economic Cooperation, has been appointed director of the general bureau, he said.

NUB Decides To Establish 'Consultation Rooms'

SK2003054495 Seoul YONHAP in English 0510 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—The National Unification Board (NUB) said Monday that it has decided to establish consultation rooms in provincial branch offices of the Korea Foreign Trade Association (KFTA) in an effort to revitalize the inter-Korean economic cooperation.

The decision is designed to give local businesses easy access to relevant information and simplify the administrative procedures for the South Korean businesses' inter-Korean trade, NUB officials explained.

The number of South Korean businesses which took an interest in trade with North Korea has rapidly increased since November last year, when the government announced measures to revitalize the inter-Korean economic cooperation.

But the businesses had to go through the inconvenience of visiting the NUB for consultations and government approval for the trade.

The consultation rooms will be established from April 1 at KFTA branch offices in 10 cities across the country—Pusan, Taegu, Inchon, Kwangju, Taejon, Suwon, Chunchon, Chongju, Chonju and Changwon. One official per

KFTA branch office, designated by the NUB, will be in charge of the consultations on inter-Korean trade and will educate the officials on March 24 about the procedures and forms that the businesses must fill out for the trade.

An NUB official said, "about 20 percent of the businesses which participate in inter-Korean trade are located outside of Seoul. The consultation rooms in KFTA branch offices will mitigate the inconvenience for the provincial businesses."

Official on Identity of North Security Director

SK1803042695 Seoul SEOUL SINMUN in Korean 18 Mar 95 p 4

[By reporter Ku Pon-yong]

[FBIS Translated Text] It was learned on 17 March, that the mysterious North Korean figure Kim Chol-su, who ranks 20th in the lineup of North Korean leadership that comprised the funeral committee for Minister of People's Armed Force O Chin-u, who died on 25 February, may be the director of the State Security Department.

A relevant ROK Government official said: "Kim Chol-su was the only person who was not given a title when mentioned by North Korean media. We are paying close attention to him, as we think that he is one of the real powers who is either in charge of the North Korean military or in charge of personal security for Kim Chong-il."

Kim Chol-su was an unknown figure, until he suddenly appeared in the 23d position in the leadership lineup for Kim Il-song's funeral last year.

DPRK Cargo Ship Caught by PRC for Smuggling

SK1903025295 Seoul CHOSON ILBO in Korean 19 Mar 95 p 23

[YONHAP from Hong Kong]

[FBIS Translated Text] Diplomatic sources in Qingdao, Shandong Province in the PRC revealed on 17 March that the Qingdao custom office apprehended the 3,750-tonne North Korean cargo ship Turubong smuggling 50 tonnes of sugar in an outport of Qingdao early this month. The sugar was to be used for the Pyongyang festival scheduled for April. The Qingdao custom office is investigating the case. In conspiracy with Ko Kwi-cha, 53, a North Korean living in Qingdao and president of External Supply Corporation, Turubong attempted to smuggle sugar for use during the Pyongyang festival because sugar is scarce and expensive in North Korea.

The Qingdao custom office had information in advance and caught the smugglers in the act. The customs office confiscated the sugar after a thorough investigation of Turubong and its crew.

U.S. Congressional Resolution on Korea Viewed

SK1803030495 Seoul YONHAP in English 0256 GMT 18 Mar 95

[FBIS Transcribed Text] Washington, March 17 (YONHAP)—Five influential senators, including Energy and Natural Resources Committee Chairman Frank H. Murkowski, introduced Friday amendments to the resolution on Korea they submitted to the Senate last January, stressing a substantive inter-Korean dialogue "is vital to the implementation of the agreed framework" reached with North Korea in Geneva last October.

The four others were Foreign Relations Committee Chairman Jesse Helms and Sens. Craig Thomas, Charles Robb and Paul Simon.

In the new resolution, they urged President Bill Clinton to pursue measures to reduce tensions on the Korean peninsula in cooperation with South Korea and other concerned allies and "in keeping with the spirit and letter of the 1992 agreements between North and South Korea. (no closing quotation mark as received]

In the January resolution, they called on the President to name a special envoy tasked with the mission to reduce the tensions in Korea and form a joint North-South military committee, but the measures were unrealistic and impractical in view of the present Korean situation.

The new resolution thus includes more realistic and practical measures, such as an inter-Korean summit, mutual nuclear facility inspections by North and South Korea, liaison offices in Seoul and Pyongyang, joint North-South military discussions for reduced tensions, expansion of inter-Korean trade and freedom of inter-Korean travel.

It also contains measures to promote inter-Korean cooperation in science and technology, education, the arts, health, sports, environment, publishing, journalism and other fields of mutual interest, establish inter-Korean postal and telecommunications services and reconnect inter-Korean railroads and roadways.

The Senate Foreign Relations Committee is expected to begin dealing with the new resolution next week.

Under the new resolution, President Clinton, from three months after the enactment of the resolution and every six months thereafter, should forward to the appropriate congressional committees a report on the progress made in carrying out the measures set forth in the resolution.

'Excessive Entertainment' of North Diplomats Noted

SK2003034295 Seoul TONG-A ILBO in Korean 20 Mar 95 p 4

[From the "Reporter's Eyes" column by reporter Kim Cha-ung in New York]

[FBIS Translated Text] There are many Korean Americans who are anxious to meet with officials at the North Korean Mission to the United Nations and fierce competition to entertain North Korean envoys has been kindled. They are seeking business opportunities in North Korea as North Korea-U.S. relations appear to be improving.

The name of the bar patronized by officials to the North Korean Mission is paradoxically called "Chongwadae [ROK presidential offices]." Located between Manhattan's 5th Avenue and 44th Street, the bar is a Seoul-style room salon that has about 10 Korean-American waitresses. Korean-American businessmen intentionally bring North Koreans to this bar because the North Koreans love to say "I had a drink at Chongwadae today."

The Korean-American businessmen are not to be blamed for their efforts to develop business in Korea. However, their provision of excessive entertainment for the Pyongyang people is causing side effects. In addition to wining and dining the North Koreans, some Korean-American businessmen are even providing them allowances and women. The badger game [using a beautiful woman to entrap a man] story involving a high-ranking official of the North Korean mission whose name begins with H, is common knowledge in New York's Korean-American society. A Korean American businessman introduced a wealthy, single Korean-American woman to H and the two became deeply involved. The badger game ended when H was suddenly summoned back by Pyongyang.

Another problem is the Korean Americans' sensitivity to security. With the rise in the number of Korean Americans yearning to meet with people from the North Korean mission, the North Koreans are becoming selective, and they prefer to associate with those who have contacts with Seoul politicians or figures of real power.

It was confirmed that a certain Korean American met with officials from the North Korean mission right after he returned from Seoul where he met with a college friend who is a real power in incumbent political circles. The question is what was discussed between them. ROK officials posted in New York are worried that he might have inadvertently leaked confidential and valuable information he heard from Seoul politicians to the North Koreans.

U.S. Company's Export of Corn to DPRK Viewed

SK1903074695 Seoul TONG-A ILBO in Korean 19 Mar 95 p 4

[By Kim Cha-su]

[FBIS Translated Text] A U.S. company has decided to directly export 54,000 tonnes of corn to North Korea. This is attracting attention because it occurs simultaneously with the improvement in DPRK-U.S. relations. The U.S. Government has classified grain such as corn and rice as humanitarian goods, and thus did not include them among those items restricted from being traded with North Korea. This does not mean there is a change in the U.S. policy toward North Korea. Some years ago, the U.S. Government allowed a U.S. trading company to buy Canadian rice and export it to North Korea. However, in this case the export of corn may be viewed as a sign of the full-scale trade in grain between North Korea and the United States. In particular, while the improvement in DPRK-U.S. relations is carried out on a full-scale, authorities from our government feel the trade of grain will be activated even further.

To promote improved relations with the United States, there is a high possibility North Korea may attempt to do business with U.S. companies, not only in grain products but in pharmaceuticals not included on the list of items restricted from being traded. It has been explained that for North Korea to import corn from the United States, in light of Pyongyang's rejection of President Kim Yong-sam's proposal to provide grain at low interest over a long period of time, reflects North Korea's intention.

It seems that even though North Korea's grain market is economically uncertain, the United States will actively promote dealings to secure North Korea's grain market. If U.S. companies export grain to North Korea, and in return the U.S. Government imports magnesite (which was lifted from the list of items restricted from being traded with North Korea during the January DPRK-U.S. Geneva agreement), there is a possibility the United States will regard this as commercially viable.

If U.S. grain dealers secure the vested rights in the grain trade with North Korea, it will be all the more inevitable to raise the issue of the grain trade between South and North Korea. When we promoted barter trade in 1991, sending rice to North Korea and importing coal from North Korea, the United States raised a concern, saying since it was a non-tariff deal it disrupted the international trade order.

At that time, the United States demanded that if we were to carry out non-tariff trading with North Korea in grains such as rice, we must have the transaction officially recognized by the General Agreement on Tariffs and Trade [GATT] as an exception. According to our refute that trade between South and North Korea is not international trade but trade within one nation, the U.S. Government withdrew its demand that we receive approval from GATT for being recognized as an exception; however, we do not know when the United States will make such a demand again.

The government has not yet showed a sensitive response to the U.S. Government's approval to export corn to North Korea, though it is concerned about when the export will take place. Under the current situation when we are waging a tug-of-war with North Korea regarding whether North Korea will accept ROK-type light-water reactors, North Korea and the United States have agreed to trade grain. Therefore, we are worried that North Korea may use this to create dissension between the ROK and the United States.

The government does not oppose the grain trade between North Korea and the United States, though it plans to closely discuss this matter with the U.S. Government so that North Korea's intention to use trade with the United States as a means to split the ROK-U.S. cooperative system will be blocked.

U.S. 'Demanded' Easing of Building Restrictions

SK1803090695 Seoul CHUNGANG ILBO in Korean 18 Mar 95 p 22

[FBIS Translated Text] Following its demand that construction restrictions be eased at the former site of the Kyonggi Girls' High School, the U.S. Embassy to the ROK has demanded that the Yongsan U.S. military base be excluded from the green area. However, Seoul City Hall, which plans to build a national park on the site, opposes the plan. Therefore, this issue is attracting attention.

Seoul City Hall announced on 18 March that the U.S. Embassy asked, through the ROK Foreign Ministry, to exclude portions of Yongsan base from the green area, saying it wanted to build apartment dwellings there. According to city hall, the U.S. Embassy decided to move its housing area for U.S. Embassy personnel currently at 49-20, Songhyon-tong, Chongno District, to an area inside Yongsan U.S. military base because the current site is too small (600 pyong) [one pyong equals 3.954 square yd]. Therefore, it asked city hall to exclude a portion of the base at Yongsan-tong from the green area to ensure it can build apartment dwellings. However, the entire Yongsan base, 1.05 million pyong in width, is designated as a natural green area. In a green area, the floor space of a building must total less than 20 percent of the site, and the total floor space should be less than 60 percent of the site. As a result, it is not possible to build dwellings higher than three stories.

City hall says the area cannot be excluded from the green area because the city plans to build a national park when the U.S. base is relocated sometime 1998 under the ROK-U.S. memorandum of agreement signed in June 1990.

Seoul Denies Report on Demand

SK1803092195 Seoul KBS-1 Radio Network in Korean 0800 GMT 18 Mar 95

[FBIS Translated Text] Seoul City Hall said today that the report of the U.S. Embassy to the ROK demanding that Yongsan military base be excluded from the green area in order to build apartment dwellings is not true.

The city hall also stated: The embassy has not officially or unofficially asked the ROK Foreign Ministry to excluded Yongsan base from the green area, and no meeting has been held to discuss this issue.

A city hall official added: The U.S. Embassy has asked city hall over the telephone whether it is possible to build apartment dwellings on Yongsan base. City hall responded that it is not possible because the U.S. military base is designated as a green area.

Ministry Explanation Criticized

SK1903064495 Seoul KYONGHYANG SINMUN in Korean 19 Mar 95 p 2

[From the "Reporter's Memo" column by political department reporter Yi Sung-chol: "The Foreign Ministry Shoulders the 'U.S. Rifle'"]

[FBIS Translated Text] A cold spring continues even on 18 March.

Foreign Ministry spokesman Yu Kwang-sok was bustling about—constantly going in and out of the reporters' room situated on the seventh floor of the Unified Government Building—to clarify some reports that "the United States demanded that the Yongsan military base be excluded from the green-belt zone in order to build apartment complexes."

Spokesman Yu started to clarify the matter by saying: "The U.S. demand to exclude the Yongsan military base from the green-belt zone is one of several plans that was examined by a related department of the Foreign Ministry to solve the housing problems of American employees of the U.S. Embassy in the ROK in late October 1994."

He added: "When the matter was unofficially brought up at Seoul City Hall, it was realized that it is a difficult matter in reality. This matter, however, is one of the plans that is being examined at this time."

Furthermore, he questioned in return: "Will there be a problem if the government builds apartment complexes to rent to American employees of the U.S. Embassy at the business level"? He made a facial expression as if to say that he does not understand the negative view of the media.

Reporters continuously tilted their heads as if to say they do not understand it either.

Why is the Foreign Ministry racking its brains especially to provide housing to American employees of the U.S. Embassy, apart from other countries? Spokesman Yu explained the Foreign Ministry is seeking a solution to this matter due to the large number of employees. If this is true, it will be difficult to escape criticism that this flattery toward the United States is going too far. We doubt that the Foreign Ministry has that much free time to the extent that it has to think about the housing problems of American employees of the U.S. Embassy.

Another thing we cannot understand about the explanations by the Foreign Ministry is that the renting of the apartment complexes will also result in problems.

As revealed by Seoul City Hall, the Yongsan military base is in a green-belt zone, in which existing laws prohibit the construction of apartment complexes. Furthermore, the lifting of the green-belt restriction to build the apartment complexes runs counter to the government's policy to preserve green-belt zones. In particular, under the assumption that the base will be relocated, Seoul City Hall is promoting a plan to build a national park at the Yongsan base.

The only explanation for this matter is that the Foreign Ministry has shouldered the rifle upon the demand by the United States. The United States has built housing for American employees of the U.S. Embassy on a 70,000 pyong [one pyong=3.954 square yards] site that is currently being used, which is a violation of the ROK-U.S. Status of Forces Agreement that stipulates that the United States cannot construct buildings within the Yongsan base other than for military facilities.

Such facts give sufficient cause to believe that inquiries into the building of the apartment complexes are intended to find another way to legitimize the use of the housing of the American employees of the U.S. Embassy.

Former Home Minister Departs on U.S. Trip

SK2003081695 Seoul YONHAP in English 0804 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—Former Home Minister Choe Hyong-u left for the United States Monday for a 10-day visit at the invitation of the U.S. Senate majority leader Bob Dole.

Choe, a lawmaker of the ruling Democratic Liberal Party (DLP), is scheduled to meet with other U.S. political figures and to visit the Center for Strategic and International Studies (CSIS) and the Heritage Foundation.

His overseas trip is the first since he stepped down from the cabinet late last year.

Only a handful of people including his family members and secretaries came to see him off at Kimpo International Airport and there were no politicians or lawmakers from his own faction in the ruling party there.

His trip to America was originally scheduled for late last year, but he delayed it twice due to the DLP National Convention in February and the bipartisan negotiations over the controversial issue involving the local elections slated for June.

Asked what he would do in the United States, he asked the reporters not to attach great significance on his trip, only replying, "there is no detailed schedule."

As to the current political issues, such as the party's nomination for the candidates for the posts of provincial governors and large city mayors, he said that party Chairman Yi Chun-ku and Secretary-general Kim Tok-yong will exercise their leadership to handle the affairs properly.

His secretary said that he is also scheduled to meet acquaintances from the days when he was studying at the University of California in Berkeley after being forced to stay away from politics in the early 1980s.

Choe has been regarded as the leader of the so-called Minju (democratic) faction of the DLP, composed of followers of President Kim Yong-sam in his opposition days.

Magazine on U.S. Soldiers' Crimes in Germany

SK2003122395 Seoul SISA JOURNAL in Korean 9 Mar 95 pp 52, 53

[Article by Chong Sung-il from Berlin]

[FBIS Translated Text] The 1955 Germany treaty recovered the sovereignty of the Federal Republic of Germany (West Germany), which had been occupied by the three winners of the war, the United States, UK, and France. Pursuant to the NATO agreement, approximately 350,000 NATO troops (200,000 of which were U.S. Army troops) were stationed in West Germany. There had been constant criticism that the foreign troops trampled upon West Germany's sovereignty. The problem was highlighted when France withdrew from NATO in 1966.

Following the French withdrawal from NATO, West Germany requested that the French troops withdraw from West Germany. The de Gaulle government rejected the request saying that the French troops have the right to stay in West Germany, not as NATO troops but as one of the three winners of the war. The West German Government had to accept the situation. West Germany had limited sovereignty as an "occupied country" until 1989. After the unification of East and West Germany in 1990, the four winner countries, including the Soviet Union, agreed to withdraw their troops and Germany was finally freed of its position as an occupied country with limited sovereignty.

The NATO troops treaty, which became effective in 1963, was a comprise between West Germany and the United States. West Germany demanded all crimes that took place on its territory be punished according to German laws, while the United States demanded protection of the rights of foreign troops.

The paragraph on preferential rights in Article 7 of the treaty stipulates that if a U.S. soldier is accused of a crime against U.S. citizens and properties, the soldier will be tried in a U.S. court (military court); and if a U.S. soldier is accused of a crime against German citizens and properties, German laws have the preferential right and the soldier will be tried in a German court.

There was also an appendix on concession of the preferential right. Cases show that the German prosecutor transferred U.S. soldiers who committed minor crimes against Germans to the U.S. military prosecutor.

However, it was a usual practice that the German prosecutor unconditionally exercised the preferential right in cases of U.S. soldiers committing homicide, burglary, violence, or rape against Germans. German police also exercised investigatatory and detention rights in cooperation with U.S. military police. When there was disagreement between the German court and foreign military courts, the preferential right went to German jurisdiction.

Unlike cases in the ROK, the issue of exercising jurisdiction over U.S. soldiers' crimes in Germany is being satisfactorily resolved through compromise by both Germany and the United States. Therefore, German society is not troubled by this issue. Instead, persons who conduct campaigns to abolish capital punishment protest: "Why does U.S. military courts in German territory sentence U.S. defendants to death and ignore the German Constitution, which prohibits capital punishment?" However, there are citizen organizations, as well as opposition parties, that protest U.S. troops infringement of German sovereignty, questioning "why does the German justice administration fail to prevent NATO fighters from making low-altitude flights [chojogong], 100 meters above the earth?"; "why does the German Government fail to have a voice in where to store biochemical weapons, which can fatally harm citizens near the area?"; and "why does the German court fail to fully exercise its sovereignty over verdicts on reimbursement for damages suffered by residents as a result of military exercises by U.S. troops stationed in Germany or on the prohibition of exercises in particular areas, including near hospitals?"

The Nuclear Emergency Search Team [NEST] issue, which was disclosed in the fall of 1989, was a troublesome issue regarding U.S. troops infringement of German sovereignty. The German parliament and media disclosed that the United States and Germany signed a secret treaty in 1976 concerning the scale of the activities of the U.S. NEST, which conducts investigations and arrests when U.S. nuclear weapons are stolen, in German territory.

According to facts disclosed at that time, CINCEUR CONPLAN 4367- 87, a U.S. Army document, confirmed that "a secret treaty similar to the above-mentioned treaty was signed with all countries where U.S. nuclear units are stationed, including the ROK." In addition, "a clause relinquishing sovereignty was also included in the treaty, which specifies that in case of an accident, including accidents involving nuclear weapons, the commander of the U.S. troops stationed in the country concerned should determine, if necessary, whether he would take over the civil government where the U.S. troops are stationed"; and that "the mass media would be censored by the U.S. troops stationed in the country concerned." The document, which the United States disclosed unwillingly, included an article that clearly specifies that the sovereignty of German territory is guaranteed, but articles and clauses that infringe upon sovereignty were intentionally and ambiguously handled as appended clauses, causing trouble in Germany. Therefore, the matter, which was raised when East and West Germany were in confrontation, was obscured by the efforts of the West German ruling party, which did not want a conflict with the United States.

U.S. Soldiers' 'Crimes' in Japan Analyzed

SK1803141695 Seoul SISA JOURNAL in Korean 9 Mar 95 p 51

[Article by editor Chae Yong-sok in Tokyo: "Japan and the United States Continuously Embroiled in Disputes Over Jurisdiction"]

[FBIS Translated Text] Crimes by U.S. soldiers in Japan are committed mainly on Okinawa. This is because approximately 75 percent of the U.S. military facilities are located in Okinawa Prefecture.

Crimes by U.S. soldiers in Japan have decreased compared to the period right after World War II. At that time, the U.S. forces in Japan were called occupation forces. A SHUKAN ASAHI History of Showa, published by ASAHI SHIMBUN, writes that Japan was virtually a hotbed of crime committed by U.S. soldiers during the six years of the occupation.

For example, even when drunken U.S. soldiers slapped all the passengers on a train, no one restrained them. It was also common for U.S. soldiers to beat citizens on Ginja Street in Tokyo for no reason.

The San Francisco Peace Treaty became effective in April 1952. As a result, the General Headquarters of the U.S. Occupation Forces closed and the "occupation forces" became the "U.S. Forces, Japan." U.S. soldiers who committed crimes were punished under the "Status of U.S. Forces in Japan Agreement."

When the Status of U.S. Forces in Japan Agreement became effective, the Japanese Government promulgated the "Special Criminal Law" to exercise its right to try U.S. soldiers who commit crimes. The U.S. and Japanese Governments defined the practical matters of the Status of U.S. Forces in Japan Agreement in the "memorandum of agreement." They also established a system under which, if they have different views regarding trials or other matters, the two sides will convene the "U.S.-Japan Joint Committee" to examine them.

The issue of which country has the right to try U.S. soldiers who commit crimes has always been a problem.

For example, a U.S. soldier shot a young Japanese man on Ie Shima, Okinawa Prefecture. Under the Status of U.S. Forces in Japan Agreement, the United States has the right to investigate, detain, and try a U.S. soldier if he commits a crime while on duty.

However, this U.S. soldier committed the crime while off duty. The Status of U.S. Forces in Japan Agreement classifies cases into two categories: cases in which U.S. authorities have exclusive jurisdiction and cases in which they have jurisdiction for preliminary trials.

The most important factor in deciding which country has jurisdiction is whether the U.S. soldier in question committed a crime while on or off duty. The memorandum of agreement says Japan cannot file a protest as long as there is evidence suggesting his commanding officer issued a document certifying the accused was on duty.

As shown in the Ie Shima incident, the problem is that U.S. commanding officers make ill use of this provision to make the cases favorable for U.S. soldiers. If such a dispute arises, the U.S.- Japan Joint Committee is convened to deliberate it. However, experts say almost all cases end favorably for U.S. soldiers.

A U.S. soldier in civilian clothes involved in a traffic accident departed for the United States, causing problems between the United States and Japan. Under the Status of U.S. Forces in Japan Agreement, the U.S. Government shall take responsibility over such a case. Nevertheless, conflicts between the United States and Japan continue over the arrest and detention of criminals.

Because of these contradictions, experts demand that unequal provisions in the Status of U.S. Forces in Japan Agreement be revised. In particular, they strongly demand that provisions on criminal cases be extensively revised.

Japan Urged To Stop Embellishing Role in War

SK1803074395 Seoul KYONGHYANG SINMUN in Korean 18 Mar 95 p 3

[Editorial: "Why Do the Leading Figures of Japan Do This?"]

[FBIS Translated Text] A recent series of extreme rightist remarks made by some Japanese politicians reminds us of the irony brought about by historical change and provokes our pathetic national indignation. The reckless remarks are being made more frequently and with an increasingly stronger tone this year, the year that to mark the 50th anniversary of our liberation from the Japanese colonial rule. We are concerned over this because it could affect the friendship between the ROK and Japan.

The move of the Japanese extreme rightists to "oppose the war- renouncement resolution" is developing into the embellishment of Japan's role in the Pacific War, even spreading into such sophistries as "An Chung-kun was a murderer" and "we should not reflect on starting the war but on losing the war." The voice of the extreme rightists is too loud, and the source of the voice is too extensive, for us to overlook it as one coming from a handful of extreme rightists.

One characteristic feature witnessed in various countries of the world following the Cold War is that the extreme rightists' voice is becoming loud and their activities are conspicuous. As the left collapsed in the balance of power between right and left, the national interest-first idea prevails in its place. The rightists who lost their traditional adversary of communism are using ultranationalism to bring their existence to the fore. The outbursts of Japan's extreme rightists represent this phenomenon.

However, despite this view, the spread of the extreme rightist atmosphere in Japan should be condemned because it is not the voice of a small number of people but a reactionary move against the trend of history. This is why, while watching the atmosphere in Japan, we feel a pathetic for mankind more than we feel national indignation.

This extreme rightist and antihistorical atmosphere in Japan not only adversely affects ROK-Japanese relations, but is far from desirable for peace in East Asia and for the development of the history of mankind. Therefore, the conscientious Japanese leadership should apply the brake to these antihistorical and reactionary moves in Japan.

The organizations which are leading this reactionary move are the so-called National Committee To Mark the 50th Anniversary of the End of the War, the League of Parliamentarians To Mark the 50th Anniversary of the End of the War, the League of Parliamentarians To Pass on Correct History, and others. All the more shocking to us is the fact that the leaders of these organizations are the leading figures of Japan, many being former cabinet ministers and those who have so far been considered to know the ROK well and to be pro-ROK.

We ought to calmly review the true meaning of the phrase "figures who know the ROK well and are pro-ROK." In the post-Cold War world during this era when we are preparing for reunification, the criteria for figures who know the ROK well and who are pro-ROK should change from that of military regimes with which we were united under an anticommunist ideology. We hope the Japanese themselves will restore the good sense to refrain from acts that hurt friendly and neighborly relations with their neighbors during this era of globalization when all countries are opening their borders.

Official on Japan's 'Mounting Rightist Tendency'

SK1903015295 Seoul THE KOREA HERALD in English 19 Mar 95 pp 2, 10

[FBIS Transcribed Text] Japan should not improve relations with North Korea unless it agrees to accept South Korean-made nuclear reactors, a South Korean official said yesterday.

In a meeting with his Japanese counterpart Yutaka Kawashima, Kim Ha-chung, director-general for Asian affairs at the Foreign Ministry, also expressed concern over the mounting rightist tendency in Japan.

Kim told reporters after the meeting that the Japanese official promised close consultations with Seoul on its relations with North Korea.

Yutaka said the three-party Japanese ruling coalition has made no decision on a proposal that a delegation be sent to Pyongyang to lay the groundwork for improvement of relations, between the two countries.

The Japanese parliament delayed a planned visit to Pyongyang earlier this week after they failed to agree among themselves on the conditions for the trip.

The Japanese director-general for Asian affairs told his Korean counterpart that the Japanese government will uphold statements by Prime Minister Tomiichi Murayama and his predecessor Hosokawa Morihiro, who apologized for Japanese wrongdoings, in World War II.

Yutaka said the Japanese government is not authorized to make any comment about the ongoing debate in the Japanese parliament over adopting an antiwar resolution.

But the Japanese official promised that when he returns home, he will convey the Korean sentiment to leaders of various fields in Japan.

Union Files Formal Complaint for 'Comfort Women'

SK2003091095 Seoul YONHAP in English 0843 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—The Federation of (South) Korean Trade Unions (FKTU) formally complained to the International Labor Organization (ILO) Monday about the "comfort women" issue, criticizing Japan's violation of the "convention concerning forced labor."

Pak Chong-kun, FKTU president, said in the complaint, "on behalf of the Federation of Korean Trade Unions, I hereby submit a formal representation under Art. 24 of the ILO Constitution against the Government of Japan, for its violations of the convention concerning forced labor, 1930 (Convention No. 29 of the International Labor Organization), ratified by Japan in 1932."

Japan forced an estimated 100,000 to 150,000 Korean women into prostitution during World War II, according to the Korean council for the women drafted for military sexual slavery by Japan.

Trade unions are entitled to complain about governments' violations of the convention, and the ILO, if it acknowledges the violation, can recommend compensation for victims of the forced labor.

"This representation demonstrates that Japan and its imperial forces created the system of so-called 'comfort women' during the Second World War, enslaving some 200,000 mainly Korean women and girls and have failed to secure the effective observance within their jurisdiction of Convention No. 29 and have grossly violated its Articles 1, 2, 11, and 25.

"At the United Nations, Japan has been criticized by a number of UN NGO's (non-governmental organizations) and concerned governments. Japan, however, has never resolved this issue in accordance with international law, including the convention.

"The purpose of this representation is to provide the ILO with the information concerning the issue of 'comfort women,' which is described in the attached report produced by our federation and to request the ILO to set up a committee for the examination concerning this issue."

Russian Envoy Urges Sakhalin Issue Cooperation

SK1803012995 Seoul YONHAP in English 0117 GMT 18 Mar 95

[FBIS Transcribed Text] Seoul, March 18 (YONHAP)—Georgiy Kunadze, Russian ambassador to Seoul, said Friday that South Korea, Japan and Russia should cooperate with one another to solve the problem of the Korean residents in Sakhalin.

While visiting chairman of the ruling Democratic Liberal Party (DLP) Yi Chun-ku, Kunadze said, "Russia also hopes the problem of the Korean residents in Sakhalin will be solved at an early date, but there are some financial problems. I think if Russia, South Korea and Japan negotiate the problem, they can find a solution."

Tens of thousands of Koreans were forced by Japanese colonialists to work on the Russian island during World War II and were left stranded there after the war in 1945 due to indifference of Japan.

DLP Chairman Yi said, "The Koreans in Sakhalin, who are now very old, should be allowed to return home from the humanitarian point of view." Yi asked for cooperation from the Russian Government, urging it to take an interest in repatriating them and, even before a solution is found out, to allow the Koreans in Sakhalin who have relatives here to return home first.

Commenting on the ethnic Koreans in Russia, Kunadze said that most of the ethnic Koreans hope to have dual nationality from Russia and South Korea. "If South Korea hopes to give them dual citizenship, Russia will accept that," Kunadze said.

Meanwhile, he said that Russia is making efforts to secure the site for the South Korean Embassy building in Moscow large enough to match South Korea's important position in Russia.

Northeast Asian Security Conference Planned

SK2003041295 Seoul HANGUK ILBO in Korean 20 Mar 95 p 1

[By reporter Ko Tae-song]

[FBIS Translated Text] It was learned on 19 March that the government is working out measures to found a "northeast Asian multilateral security consultative body" for the northeast Asian region this year in an effort to establish an independent dialogue channel for security in this region and to lead North Korea to participate in it, thereby contributing to building a foundation for the country's peaceful reunification.

Specifically, it has been learned that the government is planning to hold a minister-level conference of the four countries surrounding the Korean peninsula—namely, the United States, Japan, the PRC, and Russia—before or after an ASEAN meeting of foreign ministers slated for July this year or the Asian-Pacific Economic Community [APEC] conference slated for November. It has been also learned that the government is now conducting active behind-the-scene negotiations with the countries concerned.

In regards to this, it has been learned that in addition to Japan and Russia, the United States recently expressed its willingness to participate in founding the security consultative body, and that the PRC also consented to this, in principle.

As for the significance of the founding of this new security consultative body, a government official concerned stated: "The foundation of a new security consoultative body in this region will not only be the first occasion for introducing a new concept of collective security in the northeast Asian region, including the Korean peninsula, but also a central foundation in securing support for reunification on the Korean peninsula from its neighbors."

The government official continued: "The government will actively encourage North Korea to participate in this body in an effort to open a channel for North-South dialogue. The issue of establishing a peace system on the Korean peninsula as asserted by North Korea can be discussed within the framework of this body."

He added: "Efforts to found the new security consultative body will continue, however, even if North Korea refuses to participate."

Observer Application for NSG Meeting Submitted

SK1803084795 Seoul YONHAP in English 0821 GMT 18 Mar 95

[FBIS Transcribed Text] Seoul, March 18 (YONHAP)—South Korea presented Saturday [18 March] an application to attend as an observer an international meeting of nuclear suppliers group (NSG) to be held in Helsinki, capital of Finland, early April, according to officials of the Ministry of Foreign Affairs Saturday.

The move is a prelude to the country's bid to join the international grouping of countries which controls exports of nuclear technology, said the officials.

Provoked by the nuclear testing by India in 1974, the United States and France took the initiative in 1978 to form the unofficial group which now encompasses 30 member countries, said the officials.

The NSG controls exports of items used solely for nuclear reactors and dual use items which can be used commercially and militarily in the form of nuclear-related weapons.

The country plans to join the post-Cocom (Coordinating Committee for Export to Communist Area), which will replace the current Cocom system by the end of the year, in an effort to import and export nuclear and other high-tech products freely with foreign countries under the new high-tech countries' regime.

Joining the NSG, Australia group on the control of exports of chemical and biological weapons and missile technology control regime (MTCR) will the prerequisite to becoming the post-Cocom regime.

Seoul, Canada Agree on Nuclear Emergency Network

SK2003121095 Seoul YONHAP in English 1125 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—The Science and Technology Ministry has agreed with Canada's Atomic Energy Control Board (AECB) to establish an emergency communications network for early contact and technical support in the event of atomic energy accident.

An official at the ministry said Monday the agreement reached over the weekend will enable the two countries to take joint actions in the control of radioactive leakage in atomic energy accidents.

He said such bilateral cooperation is needed especially because both countries have Candu-type atomic energy plants.

Under the agreement, the two sides will conduct emergency communications test training once a year and will observe each other's radioactive control training programs.

South Korea has a Candu-type atomic plant in operation and three under construction while Canada has 21 plants of the type in operation and anther being built.

KDB Arranges Syndicated Loan for PRC Bank

SK1703094395 Seoul YONHAP in English 0915 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—The Korea Development Bank (KDB) has arranged a syndicated loan of 50 million U.S. dollars to the State Development Bank (SDB) of China.

The KDB signed Thursday [16 March] a loan contract with the Chinese bank after arranging the syndication comprising a total of 16 banks and financial institutions—three from South Korea, 10 from Japan and one from the United States, a spokesman for the state-run bank said Friday.

The state-run Chinese bank, set up to support the socialist country's national projects, raised the finance from overseas for the first time since it was set up last April, the spokesman explained.

The contract was signed in the presence of Chinese Vice Premier Zhou Jiahua in Beijing, said the spokesman.

Taiwan Aviation Talks Fail To Narrow Differences

SK1803050495 Seoul YONHAP in English 0453 GMT 18 Mar 95

[FBIS Transcribed Text] Seoul, March 18 (YONHAP)—The South Korea-Taiwan aviation talks that opened in Taipei Thursday to discuss a resumption of flight services between the two countries ended Friday without having narrowed differences over the wording of a necessary agreement involving the principle of "one China," it was learned Saturday.

Taiwan insisted that the term "territory," connoting its sovereignty, be included in the agreement, while South Korea proposed that the term "region" be used under the principle of "one China," reliable sources said.

Both sides agreed, however, to resume negotiations during the first half of the year.

Flights between South Korea and Taiwan were suspended in 1992 when their diplomatic relations were broken in the wake of South Korea's establishment of official relations with China.

In the two-day talks, however, they reportedly agreed in principle that flight services should be resumed between the two countries on a private basis. They also discussed in detail how and when to resume the services and the number of flights.

In 1992 South Korean airlines made 20 flights to Taiwan a week and Taiwanese 14 weekly flights to South Korea.

Exporters Cautious in Trade With Saudi Arabia

SK1903011195 Seoul THE KOREA HERALD in English 19 Mar 95 p 8

[FBIS Transcribed Text] Amid a growing concern over the debt-servicing ability of Saudi Arabia which is known to be in a critical financial condition due to the drop in oil prices and the aftermath of Gulf War, Korean exporters are required to give keen attention to engaging in trades with Saudi Arabian partners.

Saudi Arabia is expected to record a minus growth in its nominal GDP (gross domestic product) this year for the first time since the mid-1980s because of the sharp drop in its revenue stemming from the sales of crude oil, which accounts for 38 percent of the GDP and 75 percent of its total revenue, the Korea Trade Promotion Corporation (KOTRA) said yesterday.

The International Monetary Fund (IMF) also indicated that Saudi Arabia now suffers from a deficit of some $10 billion in its fiscal balance and saw its foreign exchange holdings reduced from $17 billion in 1987 to a mere $5 billion in 1993.

At the same time, the IMF said Saudi Arabia whose foreign debts amount to $20 billion or 20 percent of its GDP is facing a crisis in which it has to postpone its due payment of foreign debts.

Taking these factors into consideration, domestic exporters are required to trade with Saudi Arabian partners based on letters of credit (L/Cs) or the payment guarantee papers issued by the Saudi Arabian government, the KOTRA said.

Korea's total exports to Saudi Arabia decreased 7 percent from a year ago to $878 million in 1994, but its exports of cars and textiles surged 58.6 percent and 34 percent to $137 million and $157 million, respectively, last year.

Dispatch of UN PKO Engineering Units Studied

SK2003013895 Seoul YONHAP in English 0011 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—South Korea is studying ways to dispatch a specialized engineering unit to Angola in Southern Africa as part of the United Nations Peacekeeping Operations (PKO).

A Foreign Ministry official said Monday, "in accordance with a policy of participating in the PKO, Bosnia, Haiti, Cyprus and Angola are being reviewed as possible destinations for our troops. Angola is the most likely post, so various problems related to the troops dispatch are under study."

"A complete agreement has yet to be reached among ministries involved," the official said. "Once a final decision is reached, a fact-finding team comprised of officials from relevant agencies, including the ministries of foreign afffairs and national defense, will be sent to the scene."

Should the government decide to send troops to Angola, a specialized engineering unit would be required. This gives rise to the problem of taking the unit out of frontline forces, according to the official.

The United Nations requested early last February for Seoul to take part in the UN surveillance mission in Angola, overseeing an armistice and elections, by sending an engineering unit to remove landmines.

UNGA President Arrives To Discuss Cooperation

SK1803102895 Seoul YONHAP in English 0906 GMT 18 Mar 95

[FBIS Transcribed Text] Seoul, March 18 (YONHAP)—The President of the 49th General Assembly of the United Nations [UNGA] Amara Essy flew into Seoul Saturday [18 March] to discuss ways to enhance cooperation between South Korea and the United Nations.

Essy, also Foreign Minister of the Republic of Ivory Coast, will meet with President Kim Yong-sam and Foreign Minister Kong No-myong during his four-day stay here, according to Foreign Ministry officials.

He will give a speech at a luncheon Monday hosted by the Korean United Nations Association under the title of "Prospects for the U.N. After the 50th Anniversary."

He visited the country once before as the prime minister of the Ivory Coast in April, 1994.

Essy will also tour Japan, the Philippines, Malaysia and Singapore.

Meets With President Kim

SK2003065395 Seoul YONHAP in English 0643 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—President Kim Yong-sam met with the 49th United Nations General Assembly (UNGA) President Amara Essy Monday morning to exchange views on ties between South Korea and the international organ.

Kim promised visiting Essy that the country will actively take part in the United Nations' peacekeeping operations and development supports for developing countries in line with the world body's spirit to pursue world peace and prosperity, Presidential Spokesman Yun Yo-chun said.

The head of state asked the UNGA president to cast active support behind the country's effort to become a non-permanent member of the United Nations Security Council (UNSC), the spokesman conveyed.

Essy, in response, said that he is keenly interested in Kim's globalization policies, adding that power to drive such a drastic project comes from the enhanced trust of the international community in South Korea's economic success, Yun said.

The UNGA president, who is also the foreign minister of the Ivory Coast, told Kim that African leaders were very impressed with the president's stress on the need for advanced nations' support for the development of developing countries at the recent Copenhagen World Summit for Social Development, according to the spokesman.

Essy hoped that South Korea will form more active economic links with African nations, and asked Kim to visit the continent with an entourage of businessmen, as he did during his recent visit to Europe.

Most of nations in Africa are backing South Korea's bid to enter the UNSC, the UNGA president added.

Meets With Foreign Minister Kong

SK2003015595 Seoul YONHAP in English 0133 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—Foreign Minister Kong No-myong met Monday with the United Nations General Assembly President Amara Essy to exchange views on enhancing cooperation between South Korea and the world body.

Kong told essy that the country will try to more actively take part in a variety of United Nations activities on the occasion of the 50th anniversary of the inauguration of the United Nations, and asked for the UN General Assembly president to have sincere interest in the country's bid to become a non-permanent member of the United Nations Security Council (UNSC), a Foreign Ministry spokesman said.

Essy, also foreign minister of the Ivory Coast, will make a speech at a luncheon to be hosted by the Korean United Nations Association entitled "The Prospect for the UN After the 50th Anniversary," elaborating on such issues as the UN peacekeeping operations, social development programs and projects for human rights improvement.

Supports Bid for Council Seat

SK2003081495 Seoul YONHAP in English 0751 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—Amara Essy, president of the 49th United Nations General Assembly [UNGA], said Monday that the entire continent of Africa will support South Korea as a non-permanent member of the United Nations Security Council (UNSC), hoping South Korea will mobilize all efforts to join the UNSC.

"All of Africa will support you," said Essy. "I think it is good for Africa."

Essy, also foreign minister of the Ivory Coast, however, said the problem is that several countries are vying for the one UNSC non-permanent seat allocated to Asia.

"South Korea will have to reach an agreement on the issue with other Asian competitors and, if the negotiations fail, it will have to resort to voting," said Essy.

He made the remarks in a speech entitled "Prospect for the UN After the 50th Anniversary" delivered at a luncheon hosted by the Korean United Nations Association at the Lotte Hotel.

He said that the United States, France and England, among others, support the bids by Japan and Germany to join the UNSC as permanent members, apparently hoping that their financial burden could be reduced.

Taking the examples of Norway, Egypt and the Ivory Coast, he, however, added that Korea should consider how much one country can contribute to the promotion of international peace regardless of their territorial size and economic power.

Although virtually no one country opposes Japan and Germany joining the UNSC, Asian, African and South American countries insist that countries from their continents should adequately represent the continents in the UNSC permanent members' meeting to be proportionate geographically, according to the UNGA president.

Debates are currently underway on the revision of the UNSC system including the number of UNSC permanent and non-permanent members and whether to give veto power to new UNSC permanent members, said Essy.

Essy expressed his personal view on the issue, saying that such issues should be dealt with under the principle of democracy and regional balance.

Essy did not want to elaborate on the eligibility of Japan as the permanent member of the UNSC, saying "as the UNGA president, it's difficult for me to talk about the eligibility of Japan."

But early last year, the United Nations General Assembly talked about the enemy clause within the UN Charter which apparently refers to Japan and Germany, according to him.

"Preserving the enemy clause apparently runs counter to the move to allow Japan and Germany to join the UNSC permanent membership," said Essy who added that the complicated issue will not likely be resolved in the near future.

He dismissed as internal affairs the recent ultra-right movement in Japan on Japan's role in the past war, adding "there always have been dark times in the past."

He, however, said "we cannot forget the past."

The United Nations had 11 UNSC members in 1945 and the number grew to 15 in 1963 as the number of UN member countries increased sharply.

The international body currently has 185 members.

Stances on Merger-Acquisition Market Viewed

SK2003021695 Seoul THE KOREA TIMES in English 20 Mar 95 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The opening of the merger and acquisition (M&A) market to foreigners has emerged as a key issue facing Korean policymakers as they prepare for applying for membership in the Organization for Economic Cooperation and Development (OECD).

The Paris-based club wants Seoul not to set any restrictions on foreign acquisition of and mergers with Korean companies, saying that M&As are one of the quick and effective ways foreigners can make inroads into local industries.

The OECD argues that the overall ceiling of 12 percent for foreign ownership in Korean listed companies effectively bars mergers with, and acquisitions of Korean enterprises by foreign investors, even in sectors where greenfield investment is allowed.

It argues that the current prohibition means that foreign investors can only establish an enterprise from scratch and are unable to acquire a Korean firm that already has a strong competitive position.

It said this is precisely the most common approach by investors seeking an establishment in a foreign market, especially if they are approaching a new market with many unknowns.

The OECD believes Western companies can buy, for example, Korea Mobile Telecom or Hyundai Motor to enter the Korean cellular phone and automobile markets.

The OECD views M&As as a tool for making direct investments overseas and thus it said Korea maintains a high barrier keeping forefingers out of the lucrative Korean market.

But Korean policymakers do not regard M&As as tools for foreign direct investment, arguing that foreigners might use M&As as a way of launching hostile takeover bids of profitable Korean companies.

The OECD said no OECD member restricts outsiders from entering their countries through merger with or acquisition of local companies. This prohibition of foreign majority ownership of Korean firms, if maintained, could be viewed as a major obstacle for Korea's entry to the OECD, it said.

Furthermore, many Western countries are said to be contending that Korea must be reciprocal in the M&A market. They said many Korean companies, including Samsung and Hyundai, have taken over foreign companies through M&As overseas but Korea keeps a tight control on M&As.

But Korean Ministry of Finance and Economy (MOFE) officials said, "At this stage, M&As are not allowed even among Korean companies. From 1997, however, the government will delete a code in Article 200 on the Securities & Exchange Act, which says "anyone wishing to buy more than 10 percent of the shares of a listed company, must get approval from the regulators."

Article 200 has long been used as a tool to protect existing management from outside attempts to take their companies over through secret buying of their shares on the Korea Stock Exchange.

The code, if revised, will be applied both to Koreans and foreigners on an equal footing, thus paving the way for investors to take over listed companies by buying shares on the exchange.

However, foreigners will be unable to take over Korean listed companies unless Korea expands the current foreign stock ownership ceiling for individuals beyond the current 3 percent, analysts here said.

A government decision to raise the individual foreign stock ownership ceiling beyond the 12 percent limit, might allow foreigners to take over Korean listed companies.

Foreigners are theoretically allowed to take over Korean "unlisted" companies through friendly agreement with Korean partners and after getting approval from the government.

MOFE officials are adamant against the OECD's interest in Korea's lifting the restrictions on the M&As at this stage, but Korea must clarify its future plan regarding the M&A market-opening before it is admitted to the club late next year analysts here said.

Foreign Envoys Briefed on President's Trip

SK2003081595 Seoul YONHAP in English 0753 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—Assistant Foreign Minister for Policy Planning Pan Ki-mun Monday invited the diplomatic corps in Seoul to the ministry to brief them on the outcome of President Kim's recent tour of European countries and participation in the World Summit for Social Development (WSSD), according to the Ministry of Foreign Affairs Monday.

Over 80 ambassadors in Seoul attended the session, said the ministry.

Guidelines for Treatment of Foreign Workers Noted

SK2003071295 Seoul YONHAP in English 0638 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—Foreign workers employed under the government's alien workers' training program will now benefit from the minimum wage system.

Accordingly, they will be paid at least 330 dollars per month, compared with their current average monthly wages of 200 to 260 dollars.

Under the new guidelines on the treatment of foreign trainees announced by the Ministry of International Trade and Industry (MITI) Monday, companies newly employing foreign trainees must now pay them at least 330 dollars a month. And companies already employing them must include the minimum wage clause when they annually renew employment contracts.

The new guidelines also call for intensified orientation programs for the foreign workers before and after their arrival in the country: The periods of orientation will be extended from the current six days in their home countries before departure for Korea and two days after their arrival in Korea to more than 10 days and six days, respectively, and the orientation programs must include a basic introduction to the Korean language and other necessities for living in Korea.

Foreign firms sending their trainees to Korea are required to publicize the information on Korea's alien workers' training program when they recruit them, and the Korea federation of small businesses will check these foreign firms and their liaison offices in Korea from time to time to keep them from extorting wages from the workers.

Under the new guidelines, foreign trainees will also benefit from accident and medical insurance plans, as domestic workers do.

Foreign Minister Meets With Predecessors 18 Mar

SK1803063095 Seoul YONHAP in English 0511 GMT 18 Mar 95

[FBIS Transcribed Text] Seoul, March 18 (YONHAP)—Foreign Minister Kong No-myong invited former foreign ministers on Saturday to dinner to explain the results of President Kim Yong-sam's recent European tour and exchange views on major diplomatic issues.

Participating in the dinner meeting to be held at the official residence of the foreign minister in Hannam-tong are Yi Tong-won, Yi Won-kyong, Choe Kwang-su, Choe Ho-chung, Yi Sang-ok and Han Sung- chu.

President Kim Meets With DLP Council Members

SK1703022695 Seoul YONHAP in English 0205 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—President Kim Yong-sam said Friday that he will delegate all powers of the ruling Democratic Liberal Party (DLP) to its Chairman Yi Chun-ku and asked the party officials to do their best to win the forthcoming local elections in June.

President Kim made the remarks during a breakfast meeting at Chongwadae [presidential offices] with DLP central executive council members and standing committee chairmen of the National Assembly who belong to the government party, DLP spokesman Pak Pom- chin said.

Referring to the revised integrated election law which was passed by the National Assembly Wednesday, Kim said that "the saving of some 20 billion won is a result we made through bipartisan negotiations." The amended election law bans political parties' nomination of candidates to run for the councils of the basic autonomy units.

Kim also said he was greatly impressed by the European countries in placing their top priority on the economy during his recent trip to the six European nations.

Committee Resolves To Rezone Electoral Districts

SK2003081395 Seoul YONHAP in English 0729 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—A special committee of the National Assembly resolved Monday to rezone some of the present electoral districts for next year's general elections, fixing the population of a constituency at a minimum of 70,000 to a maximum of 300,000.

In a full session of the parliamentary committee, established to reorganize the electoral districts for lawmakers, the panel members unanimously agreed to divide the constituency with a population over 300,000 and 600,000 into two and three electoral districts, respectively.

The special committee also decided to merge those electoral districts whose population is less than 70,000 each, on the basis of the returns of a census conducted on March 2 by the Ministry of Home Affairs.

Committee Chairman Choe Chong-yol said after the meeting that its members unanimously agreed to the population's lower and upper limits for each constituency will be applicable to the parliamentary elections next year.

He said all other things related to the restructuring of the electoral districts will be settled before the legal deadline of April 10.

If the upper limit of a population of 300,000 would be introduced, a total of 17 districts will be newly launched while five existing districts will be merged into adjourning districts if the lower limit of 70,000 population would be applied.

Pak Chan-chong Announces Seoul Mayor Candidacy

SK2003090195 Seoul YONHAP in English 0827 GMT 20 Mar 95

[FBIS Transcribed Text] Seoul, March 20 (YONHAP)—Rep. Pak Chan-chong of the splinter New People's Party (NPP) declared Monday he will run for the Seoul city mayoral post in the June local elections.

In a press conference at his election campaign office, he said he decided to run for the top electoral post of the capital city government because "a great number" of Seoul citizens have supported him as a candidate for the mayoral post.

He said he believes the election outcome "would not turn out to be bad" for him.

Commenting on the rumor that he may be admitted to the ruling Democratic Liberal Party, Pak said "I will not voluntarily step into a specific political group. But I am ready to talk with any politician or any political faction that shares the same opinion with me on the essence of localization."

But Pak did not declare his secession from the minor party.

Dollar Plummets to 3-Year Record Low of 775 Won

SK1703083495 Seoul YONHAP in English 0814 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—The U.S. dollar fell to a record low of 775.20 won at a point Friday [17 March] at the foreign exchange market here, according to the Bank of Korea.

The U.S. currency, initially quoted at 776 won, kept fluctuating between 775.20 won and 776.20 won, averaging out at 775.80 won for the day, the lowest since April 6, 1992, when it stood at 775.60 won.

The dollar's depreciation was due to expectations that the country's balance of payments will improve in the second quarter with eased restrictions on foreign commercial loans, analysts said.

Committee Decides To Amend BOK Revision Bill

SK1803010695 Seoul THE KOREA HERALD in English 18 Mar 95 p 2

[FBIS Transcribed Text] The National Assembly yesterday put the brake on an attempt by the Ministry of Finance and Economy to obtain the authority to supervise banks, which now belongs to the Bank of Korea [BOK].

The Assembly Finance-Economy Committee decided to make some amendments to the draft revision to the law governing the central bank, which has been submitted by the Ministry of Finance and Economy.

After days of debate on the draft revision, the committee formed an 11-member subpanel for further deliberation.

Committee Chairman Sim Chung-ku said that "as most of the panel members argued, there's a need to change the draft revision proposed by the government, and I think the Bank of Korea should possess the authority to supervise banks."

But he said his committee will not take action with the draft revision during the ongoing 10-day Assembly special session which is to end today.

Committee sources said that the Assembly will likely change the draft revision before passing it probably in the next special sitting.

The draft revision presented by the Ministry of Finance and Economy has been under fire from panel members of both the rival parties. They accused the ministry of trying to weaken the central bank and strengthen its authority.

Under the draft revision, the Office of Bank Supervision would be separated from the Bank of Korea to merge with two other financial supervisory agencies.

The draft revision virtually gives the minister of finance and economy the authority to appoint the governor of the central bank.

The Finance-Economy Committee was one of the 11 Assembly panels convened yesterday on the last day of a two-day standing committee session.

At the Foreign Affairs-Unification Committee, Deputy Prime Minister Na Ung-pae, who concurrently heads the National Unification Board, said the government was mapping out various countermeasures in case North Korea rejects the South Korea-type light-water nuclear reactors to be supplied to it under an international consortium.

He said, however, the government will continue to push for economic cooperation with the North.

Ministry Decides on More Navy, Air Force Posts

SK1903091095 Seoul HANGYORE SINMUN in Korean 19 Mar 95 p 2

[By reporter Kim Song-kol]

[FBIS Translated Text] On 18 March, the ROK Ministry of Defense decided to reduce bureau and section chief positions in the ministry and the Joint Chiefs of Staff [JCS] reserved for the Army in order to increase Navy and Air Force positions. In the reorganization scheduled for early April, the Defense Ministry has decided to appoint a Navy admiral and Air Force general to the posts of chief of the Acquisition and Development Bureau and chief of the Organization and Personnel Bureau, respectively, to ensure Navy and Air Force participation in the decision-making process in acquiring and distributing resources for the national defense.

The Defense Ministry announced its decision to readjust the Joint Chiefs of Staff restructuring plan by reducing four Army positions, two Navy positions, and two Air Force positions.

Burma

Khun Sa Unit Destroys Bridge Near Border

BK1803112195 Bangkok BANGKOK POST in English 18 Mar 95 p 1

[Report by Subin Khuankaeo]

[FBIS Transcribed Text] Drug warlord Khun Sa's soldiers yesterday blew up a steel bridge about eight kilometres from Tachilek township, virtually cutting off land communication between the Burmese border trading post and the hinterland.

Heavy fighting continued yesterday between Burmese government forces and Khun Sa's Mong Tai Army [MTA] in Ban Pang Ma O and Ban Pang Kaw, about 30 kilometres to the south of Tachilek, opposite Mae Fa Luang Subdistrict.

The powerful bridge explosion, which took place at 3.35 p.m., completely destroyed the steel bridge across the Ruak River.

It came two days after the MTA threatened to sabotage the border township.

A Thai trader who witnessed the incident said he saw ten Burmese troops who were patrolling near the bridge run for cover together with Burmese civilians.

No injuries or casualties were reported.

A high-ranking MTA officer said Shan State National Congress chairman Zhao Gan Sede announced earlier that the MTA would sabotage Tachilek for self-defence.

The bridge bombing was intended to disrupt the movement of Burmese reinforcements to the border, said the officer who added the MTA would try to avoid causing injury to civilians.

Destruction of the bridge has stranded hundreds of Thai and foreign tourists in Kengtung, a popular Burmese tourist attraction, according to tour operators.

They said planned trips to Kengtung and beyond had been cancelled temporarily until the situation inside Burma improved.

Several Thai traders appear to be angry because goods sold to their Burmese counterparts were held up in Tachilek and could not be transported to Kengtung, effectively postponing trading.

Thai officials said it would take several days before the Burmese could repair the bridge and reopen communications with Kengtung.

They anticipated it might be possible that a Thai contractor be hired by Burmese authorities to undertake repairs.

Informed MTA sources said more than one team of sappers were in Tachilek to carry out sabotage attacks.

MTA and Thai provincial sources claimed about 100 Burmese troops were killed after becoming trapped under heavy gunfire by Khun Sa's men in a valley of Ban Pang Ma O and Ban Pang Kaw.

Rangoon Deploys More Troops Against Khun Sa

BK2003042195 Bangkok BANGKOK POST in English 20 Mar 95 p 7

[FBIS Transcribed Text] The Burmese government is bringing 3,000 more troops into action against Khun Sa's Muang Tai Army (MTA) after several reverses have seen at least 300 Rangoon soldiers killed in ambushes, according to Thai military sources.

Only about 150 MTA soldiers have been killed because they have more modern weapons and are more familiar with the terrain, according to the sources.

Heavy fighting between government and MTA soldiers resumed about 10 kilometres from the border with Chiang Rai province, around 2 a.m. yesterday.

Government troops, according to the sources, suffered setback as they were ambushed. Fighting continued at Doi Pha Daeng Luang, Doi Pha Daeng Noi and Pang Ma-O.

Just over 50 soldiers from either side were treated in Thailand on humanitarian grounds, the sources said.

The soldiers were sent to Mae Sai District Hospital or, in serious cases, to Chiang Rai Prachanukhro Hospital.

Rangoon's reinforcements, with artillery, mortar and intelligence units, yesterday reached Tachilek district opposite Mae Sai district in Thailand, the sources said.

The reinforcements were divided in two parts under the command of Lt-Gen Swe Win.

About 1,000 troops were deployed to patrol the towns of Plark and Hai.

About 2,000 were told to attack the MTA in Tambon Palaew, Tachilek district.

They have set up a command post in Tachilek only about 300 metres from the Mae Sai checkpoint.

Khun Sa's force of 3,000 has set up its command post at Ban Prachang and has been deployed in towns of Kan, Toum and Sard, according to a source in the Mae Sai border district.

Khun Sa, Government Soldiers Clash in Tachilek

BK2003135695 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 20 Mar 95

[FBIS Translated Text] Fighting between Burmese Government and Khun Sa soldiers near the Thai border at Mae Sai District, Chiang Rai Province has continued. In the latest development, Khun Sa soldiers attacked Tachilek District.

According to a correspondent, at 0330 today about 30 Khun Sa soldiers attacked military and official installations and the market in Tachilek. They used mortars, rocket propelling granades, and AK-47's in their vigorous attack. The Burmese soldiers, who had anticipated the attack, returned fire. At 0800 today the sound of gunfire became less intense. Four wounded Khun Sa soldiers crossed to Thailand, where they were disarmed and admitted for treatment at the Mae Sai District Hospital. Burmese people who were wounded by stray shells also were given treatment at the same hospital. Some 30 armed Thai soldiers guarded the wounded Khun Sa soldiers at the hospital.

A number of Khun Sa soldiers fled to Ban Piang Phing, Tachilek District, leading 50 Burmese soldiers to surround the village and fire various types of weapons at a house suspected of sheltering the Khun Sa soldiers.

The shooting at Ban Piang Phing resulted in three M-79 shells landing in Thai territory at Ban Tham Phachom, Mae Sai District, seriously wounding a Thai citizen.

According to the correspondent, the Burmese authorities closed Tachilek border crossing point when the fighting began. After the Burmese soldiers cleared the area, Mae Sai district officer Phakdi Ratanaphon held a meeting with Tachilek governor Major General Kyaw Win and Tachilek district officer Ayu Maung at the Mae Sai District office for over one hour. Phakdi disclosed that the Burmese pledged to reopen the border crossing point as soon as possible. The Burmese also denied responsibility for shelling of Thai territory, saying Burmese soldiers were not aiming their weapons at Thai territory.

According to the latest report, the border crossing point was reopened to traffic at 1600 today.

Regarding the fighting between Burmese and Khun Sa soldiers in Burma opposite Mae Fa Luang District, Thailand's Chiang Rai Province, some 50 Burmese soldiers who have been surrounded for two days have not been able to break the encirclement. Burmese 120-mm artillery pieces were fired from the base at Pha Daeng Luang to prevent Khun Sa soldiers from attacking the Pa Ko base.

Meanwhile, Lieutenant Colonel Surachai Maikaeo, commander of the Thai army rangers unit, disclosed that an instruction has been given to limit crossing of the border and prohibit any transport of goods or weapons across the border.

Bo Mya Views SLORC, Future of KNU

BK1903085295 Oslo Democratic Voice of Burma in Burmese 1430 GMT 17 Mar 95

[Interview with General Bo Mya, leader of the Karen National Union, by Ba Maung Tin, Democratic Voice of Burma correspondent; place and date not given—recorded]

[FBIS Translated Text] [Tin] The SLORC [State Law and Order Restoration Council] propagandists are saying that it was not the SLORC that attacked Manerplaw and Wankha [Kawmura] but the DKBO [Democratic Karen Buddhist Organization]. We would like to know General Mya's view on this matter.

[Mya] The SLORC attacked Wankha and Manerplaw. The SLORC units attacked Wankha and Manerplaw using a lot of heavy artillery. The traitors [DKBO members] have nothing and are in small numbers; there is no way that the traitors could have overrun [Manerplaw and Wankha] by themselves. We dare to say this. The SLORC is lying to the world. It has never told the truth. In reality, the SLORC attacked Wankha and Manerplaw.

[Tin] Yes. Gen. Mya, the SLORC propaganda is saying that the KNU [Karen National Union] doesn't want to seek peace, but the DKBO does. We would therefore like to know the KNU's view on the issue of peace.

[Mya] The SLORC says the KNU doesn't want peace. The SLORC is simply lying. The peace that the KNU wants is a genuine and lasting peace. The KNU informed the SLORC of this. The KNU also held meeting with SLORC's military attache and gave detailed explanations on the matter. We said that we want a genuine and lasting peace. When they say the KNU doesn't want peace, it is wrong. Actually, the SLORC doesn't want peace. It doesn't want peace and it is lying to the whole world. The SLORC says the DKBO wants peace. It is totally untrue. The DKBA [Democratic Karen Buddhist Army] has no loyalty and is killing and robbing the people. The DKBA thinks nothing of killing and committing crimes. They don't want peace. Are they going to do such reckless things if they want peace? Everybody knows that. The SLORC is lying in many different ways.

[Tin] Yes. Gen. Mya, after the fall of Wankha and Manerplaw, the KNU lost its headquarters, and many of its members have left the area. MAny people are therefore interested in how the KNU is going to continue its revolution in the future. Could you please explain the KNU's future revolutionary plans?

[Mya] The fall of Wankha and Manerplaw does not mean that the KNU has lost the war and its revolution is over. The KNU will continue to challenge the SLORC government. We will never give up. The fall of Manerplaw and Wankha is not significant. These are small areas. Actually, Wankha is only 300 to 400 square yards. The SLORC attacked Wankha several times over the years to acquire this 300 to 400 square yards. The SLORC used heavy weapons in its attacks. The same thing happened with Manerplaw. Our Karen revolution will never give up. We are right and we will fight until we have the victory. We will stage guerrilla warfare and also attack from our positions. We will never give up. We will never be discouraged. Our revolutionary movement of over 40-years will never stop.

[Tin] Yes. The Democratic Voice of Burma would like to thank Gen. Bo Mya.

Bo Mya Resigns as KNU Commander in Chief

BK2003032095 Bangkok THE NATION in English 20 Mar 95 pp A1, A7

[FBIS Transcribed Text] General Bo Mya, leader of the only ethnic resistance group to the Burmese military government still active, has stepped down as commander in chief of the Karen National Union (KNU).

His decision follows political and military setbacks, including the recent loss of the KNU's headquarters at Manerplaw to Burmese government troops.

A KNU spokesman said 68-year-old Bo Mya will continue to hold the largely ceremonial position of KNU president until the next KNU congress, when a major reshuffle is expected.

The change was made late on Thursday at an emergency meeting called to discuss strategy and a possible changes within the organization. The meeting was held at Kanele, which is opposite Tak's Phop Phra district.

"General Bo Mya has stepped down from the position but he will still carry on the position of president," said Arthur Shwe, who was appointed KNU minister of foreign affairs at the meeting.

General Tamala Baw, who was previously the KNU vice president, will replace Bo Mya for now, Shwe said. Bo Mya is one of the longest serving rebel leaders in the world, as he became the KNU commander in chief and president more than 21 years ago.

The KNU was formed in 1949 to fight for Karen autonomy from the Burmese central government, right after Burma gained independence from Britain in 1948.

"General Tamala is acting commander in chief but all these positions are temporary. The real changes are to be discussed during the party congress to be held soon," Shwe said.

Thai military sources confirmed Bo Mya's resignation.

Intelligence and Karen rebel sources said the forthcoming reshuffle was expected to elevate Shwe Hser, a more pragmatic Karen leader, to the position of commander and replace other aging current leaders with younger people.

Other appointments made at Thursday's meeting included David Thor as secretary-general for foreign affairs and Kaser as finance minister.

A former Buddhist abbot of Kawmura temple, Maung Satila, was made governor of Pa-An area, replacing Phado Mahn, who is believed to have been abducted by the Democratic Kayin [Karen] Buddhist Organization (DKBO).

Maung Satila will be responsible for bringing back the members of the Buddhist DKBO, a breakaway group which recently took sides with the Burmese government. The project is being given priority by the KNU.

A Thai source said the Thursday meeting ended abruptly following reports that thousands of Burmese government troops were advancing on the Karens' makeshift temporary headquarters in southwest Burma.

A thousand Karen guerrillas gathered at Kanele were ordered to disperse into the jungle, the source said.

The KNU suffered a major setback in December after a Buddhist faction staged a mutiny against the Christian-dominated group, breaking away and eventually defecting to join the Burmese government side as the DKBO.

The split was a major factor in the collapse of the defence of KNU headquarters at Manerplaw in late January followed by the capture of the rebels' last major stronghold of Kawmura on February.

Army Accused of Mistreatment of Prisoners

BK1703135795 Bangkok BANGKOK POST in English 17 Mar 95 p 10

[FBIS Transcribed Text] The Burmese military junta has forced over 500 prisoners to become porters for 3,000 Burmese troops attacking Khun Sa's Mong Tai Army positions.

The story was revealed to the BANGKOK POST yesterday by a 30-year-old Burmese porter, identified as Ai Non, who escaped during a mine explosion on the way to Thachilek and crossed the border into Mae Sai District of Chiang Rai.

Ai Non said he had been among over 500 prisoners jailed at a big prison in Mandalay. Last month the prison officials told the inmates that the military junta had ordered their early release.

However, according to the Ai Non, the day they were supposed to be released the prisoners were transported by about 10 helicopters from the prison to a jungle near Sard Town early this month. Upon landing, all the prisoners were forced to carry weapons and ammunition and to walk in a single line heading for Thachilek.

"Porters received neither food nor rest. More than 20 prisoners who fainted during the march were thrown into ravines or shot to death by the troops," he claimed.

Ai Non said he and another porter made their escape when a land mine exploded.

Opposition Welcomes Release of Detainees

BK1903085795 Bangkok BANGKOK POST in English 18 Mar 95 p 6

[FBIS Transcribed Text] Burma's main opposition alliance yesterday welcomed the release of 31 political prisoners and said it was hopeful the gesture could lead to a loosening of the military junta's grip on the country.

The national coalition government of the Union of Burma also renewed its call for the immediate release of Burma's best-known dissident, Nobel prize winner Aung San Suu Kyi.

On Wednesday the ruling State Law and Order Restoration Council (SLORC) released. [sentence as published]

Government-run Burmese media said the prisoners were released as a gesture to mark the golden jubilee of the Burmese armed forces.

In a statement distributed to news agencies yesterday, the opposition coalition, which includes the National League for Democracy, said it "welcomes this positive gesture and hopes that this is the harbinger of what is to come in the process towards national reconciliation and democratisation of the nation."

Brunei, Malaysia & Singapore

Malaysia

Mahathir: No Funding From UK for Army Base

BK1903091395 Kuala Lumpur THE STAR in English 18 Mar 95 p 2

[FBIS Transcribed Text] Kuala Lumpur—Datuk Sri Dr. Mahathir Mohamed said the Government was not receiving any funding from Britain to build a special action forces base in Mersing, Johor.

The prime minister said the proposed base would not be made available to Britain's Special Air Services (SAS).

Dr. Mahathir was responding to the GUARDIAN report on his visit to the SAS headquarters in Britain, saying the visit was prompted by Britain's help in building the base.

The newspaper said the base would likely be made available to the SAS after the hand over of Hong Kong to China in 1997.

Defence Minister Datuk Sri Najib Tun Razak said the Government had not decided on how to fund the project or from which country the funds would be obtained.

He said the base would not be handed over to the SAS.

Contingent Joins Australian Naval Exercise

BK1703132595 Singapore THE STRAITS TIMES in English 16 Mar 95 p 7

[Report by Teresa Ooi in Sydney]

[FBIS Transcribed Text] A Singapore contingent of more than 200 sea and air servicemen is taking part in Australia's biggest naval exercise, designed to increase Canberra's "policy of being regionally engaged."

"This is an invaluable training opportunity," Rear Admiral Kwek Siew Jin, chief of the Republic of Singapore Navy (RSN), told the Australian Associated Press yesterday.

He said the exercise, codenamed Kakadu Two, would allow RSN ships an opportunity to work together with a number of different classes and types of warships, planes, and submarines.

The RSN is represented by RSS [Republic of Singapore Ship] Vigour and RSS Vengeance, while the Republic of Singapore Air Force (RSAF) sent eight A4 Skyhawk strike aircraft to the 18-day exercise that began on March 13.

Kakadu Two involves more than 5,000 air and sea personnel on the northern coast at Darwin. It is the second in the series to be hosted by Australia.

Air and maritime units from Malaysia, Indonesia, Thailand, Hong Kong, New Zealand, and the host country have been mobilised. The Philippines sent a team of observers.

The Australian Maritime commander, Rear Admiral Don Chalmers, told reporters yesterday that a total of 30 aircraft, 22 ships, and two submarines were involved in the exercise.

Police Fire on, Detain PRC Trawler

BK2003075295 Kuala Lumpur Voice of Malaysia in English 0600 GMT 20 Mar 95

[FBIS Transcribed Text] Police have detained a Chinese trawler and its 16-member crew for encroaching into Malaysian territorial waters. Sarawak CID [Criminal Investigation Department] Chief Senior Assistant Commissioner II Ramli Yusof said the Swee Yee from China's Guangdong Province was detained on Thursday by Royal Malaysian Navy vessels about 73 nautical miles off Mukah. Four vessels of the Malaysian Navy chased the Chinese vessel for 90 minutes and fired several warning shots at the boat to force it to stop. In the process, four of the trawler's crew members were injured slightly. They were then sent to the Bintulu Hospital in Sarawak's Miri Division. The rest of the crew members, aged between 20 and 54, are now being detained at the Bintulu Police Station for questioning and will be [words indistinct] in about two weeks to the Fisheries Department to be charged under Malaysia's Fisheries Act.

Singapore

Russian Deputy Foreign Minister Visits

Meets Counterpart

BK1703123795 Singapore Radio Corporation of Singapore in English 1100 GMT 16 Mar 95

[FBIS Transcribed Text] The Russian deputy foreign minister is in Singapore for two days as part of his visit to the ASEAN region. Mr. Aleksandr Panov called on the minister for foreign affairs, Professor S. Jayakumar, today. A statement by the Foreign Affairs Ministry said the two leaders exchanged views on bilateral relations and regional development in the Asia-Pacific.

Mr. Panov also held discussions with the permanent secretary for foreign affairs, Kishor Mabu Bani. Tomorrow, he will be addressing the Institute of Southeast Asian Studies on Russia's new role in the Asia-Pacific.

Voices Desires To Join APEC

BK1903141395 Singapore THE STRAITS TIMES in English 18 Mar 95 p 11

[Report by Derwin Pereira]

[FBIS Transcribed Text] Russia has applied formally to join the Asia-Pacific Economic Cooperation (APEC) forum and expects to join the 18-member grouping by next year.

Russian Deputy Foreign Minister Aleksandr Panov said yesterday that his country would benefit from the knowledge and expertise of a forum that grouped some of the world's fastest-growing economies.

"The sooner we are in such an organisation, the better it is for our economic reform," he told some 90 diplomats and academics at an Institute of Southeast Asian Studies talk. He added that APEC membership would be of particular benefit to the Russian Far East.

Mr. Panov, who is here on a two-day visit, his first to the republic, told reporters later that he had handed a formal letter to join the forum to the APEC Secretariat's executive director, Shojiro Imanishi, yesterday. The note was signed by Russian Foreign Minister Andrey Kozyrev.

He said that Russia expected to join APEC when the current moratorium for new membership, set at the November 1993 summit, expired next year.

APEC comprises Japan, China, South Korea, Taiwan, Hong Kong, Indonesia, Thailand, Brunei, Singapore, Malaysia, the Philippines, Papua New Guinea, Australia, New Zealand, Chile, Mexico, the United States, and Canada.

Mr. Panov, who called on Foreign Minister S. Jayakumar on Thursday, stressed that APEC countries also stood to gain from Russian membership because of its huge and enormous market. "It will be beneficial for all countries," he said.

During a question-and-answer session at the talk, he said that Moscow was also keen to take part in the Asia-Europe summit expected to be held next year.

He told reporters that Russia hoped to upgrade its economic ties with ASEAN countries by being a dialogue partner. Moscow has been a guest at the annual meetings of ASEAN foreign ministers since 1991

In his 30-minute talk on Russia's new role in the Asia-Pacific [region], he said that his government's policy in the post-Cold War era was to develop a "good and mutually beneficial partnership" with Asian states.

"We do not see any country as potential enemies and will try and develop ties with all countries," he said, adding that economic links, in particular, were crucial for Russia.

He said that Moscow had to be realistic in forging such ties because its economic presence in Asia was still not visible.

He noted that trade ties with the region were developing faster than with Europe.

Currently, Russia's trade with Asia stood at U.S. $25 billion (S [Singapore] $35.5 billion), a third of its total foreign trade. In Soviet times, it never exceeded 9 percent.

According to the Trade Development Board here, Singapore's total trade with Russia amounted to almost S $950 million for the first nine months last year, an increase of 38 percent over the same period in 1993.

Defends Military Presence in Asia

BK1903135895 Singapore THE STRAITS TIMES in English 18 Mar 95 p 11

[FBIS Transcribed Text] Russia yesterday said that it needed to maintain a military presence in Asia, albeit a reduced one, to maintain a balance of power in the region.

"If the U.S. and Russia decrease their presence in the region, it will create a vacuum that could be filled by some other countries," Russian Deputy Foreign Minister Aleksandr Panov told reporters after giving a talk at the Institute of Southeast Asian Studies.

Responding to questions, he said that the Russian military would not maintain a mobile presence in the region, but instead keep a "modest military presence" along its 18,000-km-long Pacific coastline.

During his talk, Mr. Panov said that Moscow was planning to cut down on the number of its troops in Asia as part of its reforms. Russia had also begun military cooperation with countries like the United States and Japan.

"Russia is no longer regarded as a military threat in the region," he said.

He also believed that the sale of Russian military equipment to Asian countries would not destabilise the region as the weapons sold were "defensive in nature."

Among new importers of Russian weapons are Malaysia, which signed a contract for the purchase of MiG-29s, and South Korea. The Philippines, Taiwan, and a few other Asian states have also imported Russian combat aircraft, tanks, helicopters, various missile systems, and other weaponry.

Russia also plans to expand arms sales to China where it will supply T-72 tanks, C-300 surface-to-air-missile systems, and a number of fighter jets.

Mr. Panov said Russia would forward a "declaration of principles" at the ASEAN Regional Forum meeting in Brunei this year which would offer Moscow's proposals for greater regional stability.

Police Confirm Execution of Flor Contemplacion

BK1703023295 Singapore Radio Corporation of Singapore in English 0200 GMT 17 Mar 95

[FBIS Transcribed Text] A Filipino maid convicted of two murders in Singapore was hanged today. This was confirmed in a police statement released a short while ago. Flor Contemplacion's appeal to the court for clemency was dismissed. Her petition to the president for clemency was also turned down.

Contemplacion was sentenced to death by the High Court in April last year for the murder of Filipino maid Delia Maga and four-year-old Singaporean Nicholas Wang. Contemplacion had admitted to both murders to the police and the court. Police arrested her in May last year, a day after the murders had been committed.

Ministry Advises Against Travel to Philippines

BK2003125595 Singapore Radio Corporation of Singapore in English 1100 GMT 20 Mar 95

[FBIS Transcribed Text] The Ministry of Foreign Affairs has advised Singaporeans to postpone travelling to the Philippines for the time being unless they have urgent reasons to do so. The ministry says subsequent developments have raised concern over the safety of Singaporeans there. It added the threats against Singaporeans and their properties there are continuing and in some places increasing.

Singaporeans who have to travel to the Philippines are reminded to register with the Singapore Embassy in Manila or the Ministry of Foreign Affairs here.

Cambodia

Sihanouk To Receive Medical Care in PRC

Doctor's Statement Aired

BK1903092395 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 19 Mar 95

["Medical Certificate" issued by Dr. (Lucon Marie), director of the Pasteur Institute in Cambodia, in Phnom Penh on 18 March]

[FBIS Translated Text] I, Dr. (Lucon Marie), a biologist and the director of the Pasteur Institute in Cambodia, wish to certify that I made a biological examination of His Majesty King Norodom Sihanouk Varaman's condition of health on 18 March. According to the result of the examination, it is essential for the king's illness to be further checked in the PRC.

'Emergency Check-Up' Advised

OW1903160495 Beijing XINHUA in English 1520 GMT 19 Mar 95

[FBIS Transcribed Text] Phnom Penh, March 19 (XINHUA)—King Norodom Sihanouk will to go to Beijing to have a physical examination within the next few days.

The Cambodian king made the announcement tonight in a national television address.

The king, who has been treated for cancer, said French and Chinese doctors had recently advised him that there were abnormalities in his blood count and had urged him to have an emergency check-up.

The king said he expected to be back to Cambodia in time to celebrate the Cambodian New Year—April 13 to 15—adding that he might return to Beijing in May for another examination.

Hun Sen Plays Down Khmer Rouge Problem

BR1703140195 Paris LIBERATION in French 17 Mar 95 p 12

[Report by Romain Franklin: "Phnom Penh Claims Khmer Rouge Guerrillas Are on Verge of Extinction"]

[FBIS Translated Text] Cambodian Second Prime Minister Hun Sen said in Paris yesterday that the number of Khmer Rouge communist guerrilla fighters has fallen recently from 8,000 to 2,000. He claimed that the Khmer Rouge problem was "no longer important."

Since the end of last year, he said, "the political situation has changed completely. The Khmer Rouge is no longer a political and military organization. It has become a group of armed rebel outlaws and now occupies just 3-5 percent of the country." The current strategy being employed by the movement—which was responsible for the massacre of a million Cambodians from 1975 to 1979—consists, according to Hun Sen of "defending the positions it occupies." He went on to say that Pol Pot's movement is "incapable of launching occupying offensives" but can still perform "sabotage operations." Hun Sen is optimistic that the Khmer Rouge will finally disappear and said that they have "gathered" in the Battambang region "to die." The other Cambodian Prime Minister Norodom Ranariddh for his part stated that his government "is not asking for any foreign military aid in terms of weapons and equipment." Where the oversized Cambodian Army was concerned he said that all the necessary decrees have now been adopted to reduce the number of generals from 1,867 to 141.

On the subject of the international conference for the rebuilding of Cambodia which on Wednesday [15 March] pledged some $473 million for 1995 and $877 million for 1996, Ranariddh described this support as "more than a plebiscite." He was pleased to announce that the donor countries, which were simply "showing their concern" on the human rights situation in Cambodia, as well as the lack of transparency and generalized corruption, had not, however, imposed "any conditions" on the provision of this aid.

Outcome of Paris Aid Conference Praised

BK1803094395 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 16 Mar 95

["Political commentary": "Truth Always Wins"]

[FBIS Translated Text] The International Committee on the Reconstruction of Cambodia [ICORC] conference ended in Paris on 15 March. His Excellency Keat Chhon, state minister for rehabilitation and development, minister of economy and finance, and member of the Royal Government of Cambodia [RGC] delegation to ICORC III, told reporters that the countries and international organizations attending the conference pledged over $1 billion in aid to the Kingdom of Cambodia over the next two years.

This is cheerful and encouraging news to people throughout the country who have been awaiting the outcome of the ICORC III conference. The Cambodian people would like to express their deepest gratitude to those friendly countries and generous international organizations that have firmly and unswervingly decided to provide all-around support and assistance to the Kingdom, which has just emerged from over two decades of war and destruction. Our people regard this as a (?display of the superb) attitude of the international community—which has kept its promises made at the Paris international conference on the comprehensive political settlement of the Cambodian conflict—and a reflection of the international community's determination to promote the building of the multiparty liberal democratic system that was born in Cambodia less than two years ago to make it thrive [words indistinct] forever in Cambodia.

The promise made at this third ICORC to give a large amount of aid constitutes a great victory for the RGC, the only legitimate representative of the Cambodian people. This is because before the ICORC III conference was held, the RGC encountered some obstacles—emerging from both subjective and natural factors—that had to be surmounted.

The subjective factor was that some individuals who think of nothing but their personal interests mustered their accomplices to provide documents aimed at creating hindrances and stirring up trouble inside the country as well as at the conference site. At the same time, some international organizations issued distorted statements on the so-called worsening human rights situation in Cambodia. Political analysts believed these problems would have quite an impact on the faith of countries providing aid to Cambodia.

In addition to this subjective factor, we also foresaw the natural factor prior to this conference; that is, the countries that took the lead in providing aid to Cambodia at ICORC I and II have suffered serious natural disasters. Japan was hit by an earthquake that caused over $1 billion in losses, countries in the European Community experienced wave after wave of floods, and Australia and the United States suffered from forest fires and earthquakes. Thus, the RGC realized that at ICRC III the aid of the donor countries might decline [words indistinct]. This is why the RGC only planned to seek some $290 million for 1995 at ICORC III.

At the end of the conference, however, the countries that are good friends of Cambodia and the international organizations that have a humanitarian attitude pledged to give over $1 billion for two years—1995 and 1996. This exceeds the amount given at ICORC II in Tokyo by nearly $300 million and almost doubles our target. The brilliant outcome of this ICORC III conference reflects the fact that the policy pursued by the RGC for nearly two years is a correct and excellent line that has won the support of the Cambodian people and enjoys the continuous support and assistance of the international community.

It should be recalled that at ICORC II, despite the hindrance efforts made by nominal Khmer Rouge leader Khieu Samphan, the international community gave us over $700 million in aid. At the latest conference, despite the fact that some people tried hard to hinder the aid and defame the government under the guise of patriotism, the international community continued providing aid in an amount that nearly doubled the RGC's target. This shows that the international community recognizes only the RGC. As for those empowered by personal antagonism [words indistinct] tried hard to hinder aid to the RGC have been trampled by the international community. No one looks at or listens to them. Thus, they lost both money and honor.

Briefly speaking, the promise by the participants at ICORC III to give over $1 billion to the Kingdom for use in the next two years is a source of great encouragement for the efforts made by the Cambodian people under the leadership of the RGC and in line with the wise ideas of his majesty the king. This resolute attitude is tantamount to rewarding the RGC, which some people tried hard to defame and discredit. Through this, our people realize even more clearly that truth always wins while abject and dirty acts always meet with doom.

Official on Khmer Rouge Disruption of Railways

BK1903085595 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 18 Mar 95 p 5

[FBIS Summary] A railroad official says that on Monday, 13th March, Khmer Rouge rebels used mines to blow up rail track at 12 places between Battambang and Pursat and between Battambang and Sisophon. The rebels also detroyed track at four other places between Phnum Thipadei and Svay Cheat village in Moung Russei District west of Battambang town.

Sok Niradei, head of railway security, adds that the rebels also destroyed rail track at eight other places between O Ta Ki and Chondaeu Sva villages west of Battambang town. He affirms that the line between Battambang and Sisophon is not cut, but traffic between Pursat and Battambang is closed because of constant rebel attacks and will remain so for at least a week or more. Railroad traffic will resume between Pursat and Battambang by the end of this month after the tracks are connected by technicians. Traffic between Pursat and Battambang has been suspended since the end of last year.

Rebels Report Rockets Fired Into Battambang

BK1903094495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 18 Mar 95

[FBIS Translated Text] On the night of 16 March the National Army of Democratic Kampuchea and people fired seven 107-mm rockets into Battambang town. Two rockets fell into the compound of the provincial administrative office; one on the [words indistinct] barrack; two in the compound of the 5th Military Region command; and two on the township at the Neak Leng Toek (?fountain), Damrei Sar monastery.

Here are the results: two large buildings and five offices of the provincial adminstration and of the 5th Military Region command were destroyed. The situation in the town is confused; a state of emergency is continually declared every hour, day and night.

Government Troops Capture Khmer Rouge Outpost

BK1903091795 Bangkok THE SUNDAY NATION in English 19 Mar 95 p A 2

[FBIS Transcribed Text] Aranyaprathet—More than 200 Cambodian civilians, Khmer Rouge followers, were poised to cross into Thailand yesterday following the capture of a guerrilla outpost at Ban Nong Men opposite the border town of Aranyaprathet, by Cambodian government troops on Friday, border sources said.

Fighting was expected to resume last night, when Khmer Rouge guerrillas were expected to attempt to retake the position, a key outpost leading to their command base in well-fortified Phnum Malai, the sources said.

Thai border authorities and villagers were alerted to prepare for the consequences of the pending battle and the imminent influx of the Khmer Rouge followers.

On Friday about 1,000 Cambodian government troops of the 301st Division based in Banteay Meancheay province, backed by 12 armoured vehicles and tanks as well as heavy weapons, launched an operation to wipe out Khmer Rouge positions in Ban Nong Men, about 5 kilometres from the Thai border.

The government troops captured the position and were in turn besieged by the Khmer Rouge guerrillas who regrouped and returned to the positions nearby.

Guerrilla fighters were trying to block some of the roads leading to Ban Nong Men, according to the sources.

Yesterday morning, a Cambodian government helicopter gunship attacked positions near Phnum Malai. Khmer Rouge gunners replied with anti-aircraft machine guns and after a five minutes the helicopter withdrew.

The sources said the government troops' commander, Lt Gen Lai Virak, had been instructed by Phnom Penh to dislodge the Khmer Rouge from Phnum Malai by the end of this month.

If unsuccessful, he would be transferred to an inactive position and replaced by Lt Gen Ko Chea of the 719th division.

Both sides were reported to have suffered heavy casualties in Friday's clash with government losses reported at 80 soldiers, including a senior military officer. The Khmer Rouge losses were reported as "considerable" but could not be confirmed.

Lt Gen Am Sarai, deputy commander of the Cambodian army's 12th division, and 10 men accompanying him died when their truck triggered a land mine on Route 502. Another 60 or 70 soldiers were injured.

Gen Sarai was leading reinforcements from the base in Ban Nimit to support the government troops at Ban Nong Men.

Troops Suffer 'Heavy Casualities' Against KR

BK2003042595 Bangkok BANGKOK POST in English 20 Mar 95 p 11

[FBIS Transcribed Text] Aranyaprathet, Sa Kaeo—Cambodian government soldiers have suffered heavy casualties in their offensive against the Khmer Rouge [KR] which began last Thursday, border sources said.

Khmer Rouge's 365th Division stationed at Phum Dong Soeu Tai and Phum Mak Heun opposite the Thai villages of Laem Nong Ian, Saen Suk, Mai Pak Hong and Khlong Nam Sai, about 15 kms southeast of Aranyaprathet, has come under heavy bombarded.

On Friday, Maj-Gen [Major-General] Em Saray, deputy commander of 12th Division, was killed when a convoy of four trucks with 120 soldiers tripped a land mine on Route 502.

The explosion damaged one truck, killing Maj-Gen Em Saray instantly.

Khmer Rouge positions were pounded with over 200 artillery rounds on Saturday night but casualties were not known.

The fighting caused about 800 Cambodian people to gather near the Thai border opposite Ban Khlong Nam Sai.

Lt-Col [Lieutenant-Colonel] Thim Saret of the Cambodian-Thai Coordination Office at Poipet said about 1,000 troops under Maj-Gen Ko Chien of the 7th Division yesterday morning moved from Thmor Puok to reinforce the 12th Division under Maj-Gen Lai Virak at Ban Nimit to confront with Khmer Rouge's 365th Division, whose commander is Lt-Gen Sok Pheap.

Sihanouk Interviewed on Succession Issue

BK1603062395 Phnom Penh THE CAMBODIA DAILY in English 9 Mar 95 pp 1, 2

[Fourth in series of King Sihanouk's "exclusive" interviews with CAMBODIA DAILY Publisher Bernard Krisher and Editor Barton Biggs under the rubric: "Sihanouk Speaks: Part IV of V"]

[FBIS Transcribed Text] *The Cambodian Constitution specifies that the country's monarch "shall reign but shall not govern." King Norodom Sihanouk insists that he intends to respect the limitations on his power but says he fears that following his death the role of the Cambodian monarch could change drastically. Alternately, he has suggested that the monarchy itself may not survive in the post-Sihanouk era, and has expressed concern that the democratic system put in place following the UN-sponsored elections in May 1993 could give way to dictatorship following his death. In a recent interview held in Siem Reap with CAMBODIA DAILY publisher Bernard Krisher and Editor Barton Biggs, the King spoke of the politics surrounding the succession to the throne.*

Q: Who do you believe is going to be the next king?

A: The Queen, my wife, would like Norodom Sihamoni (currently Cambodia's ambassador to UNESCO) to be a candidate, but she prefers not to encourage him and he himself is not interested in the kingship. He is creating a ballet for the ballet de France which he will bring to Phnom Penh on April 14. He is very able as an artist and teacher of Western and also classical Khmer ballet. he does not want to be involved in the dispute about princes and politicians. As he does not want to be king after the death of Sihanouk, so we must exclude him as a candidate.

Ranariddh is a serious candidate and I think he has his chance. He has many admirers and supporters but also many enemies. We must study the balance between enemies and and supporters but I think he has more supporters...

If I die before 1998, two prime ministers will elect the new king. Hun Sen and Ranariddh (who may elect himself king). Also eligible to (vote for) the new king are Chea Sim, the chairman of the National Assembly, and the two vice chairmen, Son Soubert (of the Buddhist Liberal Democratic Party) and Loy Simchheang from FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]. Plus the two Sangharaja, the two Buddhist popes are among the electors.

The CPP [Cambodian People's Party] will hold the key. Why? Because they are very influential in the administration, in the army and among the people. There are CPP men everywhere. The CPP is much stronger than FUNCINPEC. I don't speak about their popularity but their strength and influence and the role they play in our society. So the king in fact will be elected by the CPP.

If there is no consensus among the electors—it will depend on the CPP because FUNCINPEC will elect Ranariddh but the CPP can decide otherwise—if there is no consensus there might be another solution. There might be a situation where Queen Monineath would be like Queen Kossomak, my mother, the symbol of the continuation of the monarchy. Until they have a consensus on a name...there would be a nonreigning queen, symbol of the monarchy, and a chief of state.

I was chief of state after my father's death because I did not want to abandon my party, the Sangkum Reas Niyum. And there is the question whether Ranariddh would be ready in the event he is elected king to abandon FUNCINPEC and politics.

There could be a solution as before, with Queen Monineath—who is very popular and loved by everybody—to be the symbol of the monarchy, and Chea Sim could be elected as chief of state, if not Hun Sen. It depend on the party or the people or on Ranariddh. We cannot predict.

Q: Is anyone from the royal family theoretically eligible to be elected king?

A: Yes. It's a headache for our people, about our princes and princesses, because each king, has the right to have a queen and many wives. You could have three hundred wives, or four hundred or one thousand, as you like. I had a grandfather who had 300 wives. You can imagine, he could produce 3,000 princes. In each century there is always competition between the princes to be elected as the King. Not just the children of the Queen but the children of the secondary wives. You have one number one but 300 number two's. It is a headache.

Q: So Prince Sirivut could be in line to be king as well, isn't that right?

A: Yes, absolutely. He is my half brother, from a favorite, like Louis XIV had in France. He can be elected but I don't think he has a chance to be the next king. He is popular, but Ranariddh has a better chance.

If they do not elect a king, there can be just a head of state, either Chea Sim or Hun Sen.

If the monarchy remains, unless the CPP decides otherwise.

Indonesia

General on Resumption of U.S. Military Aid

BK1903133495 Jakarta ANTARA in Indonesian 0527 GMT 18 Mar 95

[FBIS Translated Text] Jakarta, 18 Mar (ANTARA)—Armed Forces Commander General Feisal Tanjung welcomes the decision by the United States to fund the training program for the officers of the Armed Forces of the Republic of Indonesia [ABRI] and to resume selling military equipment, which had been suspended by the Congress.

"Indonesia is happy with the U.S. military's decision and with the explanation of the latest developments in Indonesia that was given to Congress," he told journalists at the Bina Graha Presidential Office in Jakarta on Saturday.

Earlier, Gen. Feisal Tanjung accompanied the visiting Malaysian Chief of Defense Forces, Gen. Datuk Ismail, on a courtesy call on President Suharto.

Gen. Feisal was commenting on the statement by the vice chairman of the U.S. Joint Chiefs of Staff, William Owens, in Jakarta recently. Owens said that the U.S. military would like to provide funds for ABRI's officers to receive training in the United States and would resume selling arms to Indonesia.

"Why not? If they can accept Indonesian military officers to be trained there," Gen. Feisal said.

Indonesia was suspended from the U.S. military training program and sale of arms because it was considered to have violated the protection of human rights.

Responding to journalists, Gen. Feisal said that ABRI would consider buying arms from the United States if funds were allocated for that. He said the decision to buy military equipment from the United States or other countries would also depend on the ABRI officers' ability to utilize them.

The newly appointed Malaysian chief of defense forces called on the president today to introduce himself. Gen. Ismail said that the issue of the Sipadan and Ligitan Islands was not discussed during his meeting with President.

PRC 'Prime Mover' of Conflicts in Pacific

BK2003024195 Jakarta MERDEKA in Indonesian 17 Mar 95 p 6

[Article by Dr. H. Ruslan Abdulgani, a prominent political observer, and a former minister of foreign affairs, and a former permanent representative of the Republic of Indonesia to the United Nations, entitled "Potential New Conflicts in the Western Part of the Pacific Ocean,"—passages in italics published in English]

[FBIS Translated Text] *"We call for closer ties between the army and the government. We emphasize the need to step up vigilance on China's borders and coastlines in order to defend the state's sovereignty, territorial integrity, and maritime rights."* (Chinese Prime Minister Li Peng before the National People's Congress in Beijing on 6 March 1995)

New *flash points*

The Pacific Ocean was still engulfed in war when we proclaimed our independence 50 years ago. It became calm again after the Japanese military forces were defeated by the allied military forces.

Meaning a calm and peaceful ocean, the Pacific was indeed turbulent for over three years, from 1941 to 1945. It was an ocean of war full of bombs and artillery fire.

After 1945, it was again relatively calm, but at its western fringes the Korean War (1950-1953) and the Vietnam War (1954-1975) burned. The entire ocean regained its original meaning only after the wars.

However, it experienced several jolts over the past few years. There are no upheavals, as in the past, but there appears to have been several flickering *flash points*. Though small flames, they can explode into new wars. This phenomenon has in fact been a caused naturally by the law of dynamics and dialectics in international relations.

These *flash points* are on the Korean peninsula and the South China Sea, particularly around the Spratly islands.

China is the *Prime Mover*

Deep observation has showed China to be the *prime mover* in the two flash points. Though not directly involved on the Korean peninsula, it is directly involved in the South China Sea. Of course, other countries have become movers—the United States on the Korean peninsula and Taiwan, the Philippines, Vietnam, Malaysia, and Brunei in the South China Sea.

At stake on the Korean peninsula are its geomilitary position and the question of nuclear arms, whereas in the South China Sea are the maritime channel linking the Southeast Asian waters with the Pacific Ocean and oil reserves. Any country is ready to go to war to obtain oil reserves. Oil is also needed to win a war. This is an historical necessity at the end of the 20th century and the beginning of the 21st century.

Japan was an Axis power during the Second World War and the United States confronted the Soviet Union and China later during the Cold War. Now, there is a new alliance and configuration among various powers. This is natural and relevant to the law of dynamics and dialectics.

Focussing on China as a new actor in the current history of the Pacific Ocean, we can see that it has made progress in its modernization plan, including in defense and security.

According to various observers, such *China watchers* as Berry Wain from THE ASIAN WALL STREET JOURNAL and Michael Richardson from INTERNATIONAL HERALD TRIBUNE, China is building up its military power and strengthening its maritime position in the Spratlys which is disputed with five neighboring countries—Taiwan, Vietnam, the Philippines, Malaysia, and Brunei.

Claim to the entire South China Sea

In addition, China claims that it has a de jure sovereignty over the entire South China Sea.

According to scholar Mark Valencia from the East-West Center in Honolulu in his article published in ASIAN WALL STREET JOURNAL on 17 February 1995, the Chinese claim is based on a historical reality that its ships roamed the South China Sea for several centuries, long before those of other nations.

We can see the new stance of the Chinese Government in Prime Minister Li Peng's recent speech before the National People's Congress, as quoted earlier. Prime Minister Li Peng called for closer ties between the army and government to step up vigilance on the borders and coastlines to defend the state's sovereignty, territorial integrity, and maritime rights.

The result of Prime Minister Li Peng's speech was an increase in the national defense budget by 21 percent to about $12 billion. All this is designed to increase the capability of China's defense and security forces which consist of a three million-member army and a maritime force.

We know U.S. and Japanese reactions. They are watching, albeit not openly, China's new defense and security policy. With China strengthening its maritime position in the Spratly islands, are Vietnam and the Philippines. This is flash point is flickering.

Indonesia's Efforts Are Ignored

We cannot afford to ignore the new development. Since 1990, Indonesia has repeatedly held *workshops* on the Spratly islands. In reality, the workshops seem to have been ignored by China. They have been termed as coffee shop talk, full of rhetoric and empty hopes. Scholar Mark Valencia noted this prevailing opinion. *Those workshops by Indonesia have been nothing but talking shops, holding out false promises of cooperation, while nations strengthen their bargaining or military positions.*

Let us watch the new reality in the western part of the Pacific Ocean!

Minister Meets With Malaysian Military Chief

BK1703165295 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 17 Mar 95

[FBIS Translated Text] Datuk Paduka Ismail bin Haji Umar, Malaysian chief of defense forces, hopes that ties between Indonesia and Malaysia will continue to grow even though current relations are satisfactory. The Malaysian chief of defense forces said this when he paid a courtesy call on Defense and Security Minister Edi Sudrajat in Jakarta today. During the call where he was accompanied by Indonesian Armed Forces Commander General Feisal Tanjung, Ismail bin Haji Umar disclosed the development of the Malaysian armed forces which has played an active role by dispatching peacekeeping forces to Angola, Rwanda, and Somalia.

Daily Praises Support for Bosnia-Herzegovina

BK1803085295 Jakarta REPUBLIKA in Indonesian 17 Mar 95 p 6

[Editorial: "The Republic of Indonesia Sides With Bosnia- Herzegovina"]

[FBIS Translated Text] Although President Suharto's recent trips to Croatia and Bosnia-Herzegovina could not be regarded as a diplomatic breakthrough in settling the three-year Balkan conflict, a number of important steps for political settlement were clearly spelled out at these tense visits. For Indonesia in particular, the visits yielded more concrete results and displayed its commitment and partiality to the side that has suffered the most and that has been the most disadvantaged in the brutal war.

Three steps for the settlement proposed by President Suharto are very clear and operational. First, all former Yugoslav states—Slovenia, Serbia, Montenegro, Macedonia, [Croatia], and Bosnia Herzegovina—must recognize one another's sovereignty. Minority groups in each state will be protected and included in all talks that will lead to a fair settlement. The proposal criticizes primarily the expansionist spirit of Serbia which has refused to recognize the sovereignty of UN-recognized Bosnia-Herzegovina. Serbia has annexed 70 percent of the territory of Bosnia-Herzegovina mainly with the assistance of ethnic Serb militiamen in Bosnia- Herzegovina.

Secondly, a confederation will be subsequently established. All states must live in peace, respect one another's sovereignty, and cooperate for one another's benefit. Thirdly, if a confederation is considered unnecessary, the states which have recognized one another can establish a cooperation forum similar to ASEAN.

Will President Suharto's proposal be acceptable and operational? The question will be left fully for the warring parties to answer. Doing his best and risking his personal safety in the battlefield, the president was also under no pretense that he would be able to settle the prolonged and complicated conflict. "Who can settle it?"

the head of state asked rhetorically. "The leaders of these states, not foreign countries can end the conflict."

However, this does not mean that Indonesia will sit idly by just because it feels that it has done something by putting forward the three-point proposal. A number of steps will be taken immediately. A delegation will be sent to the warring former Yugoslavia. "Thus, they will know the proposal and avoid harboring any distrust," the president said. Indonesia will even open embassies in Sarajevo, the capital of Bosnia-Herzegovina, and Zagreb, the capital of Croatia, in the near future. The president went to Sarajevo from Zagreb, instead of from the Serbian capital of Belgrade. The choice was made not only for security reasons but was also a sign of disapproval against Serbia's fierce expansionism. The opening of an embassy in Sarajevo is certainly impossible now simply because of the tense situation in the city that has been torn apart by the Serbs.

Meanwhile, General Feisal Tanjung, commander of the Armed Forces, expressed Indonesia's readiness to comply with the request of the Bosnia-Herzegovina Government that an engineering battalion be sent there if the United Nations agrees to it. The 400-member force will clear land mines planted by the Serbs partly to enable Bosnians to return to their homes.

With these proposal and steps, it is very clear that Indonesia has showed deep concern [preceding word in English] over the Balkan conflict, and not simple, and sterile [as published] neutrality. Indonesia has in fact acted justly thanks to its neutrality based on a commitment to the most disadvantaged party because there is no neutral ground in the Balkan conflict.

We should support and encourage the government to further play a diplomatic role there within the framework of the "neutrality based on justice."

National Journalists Association Expels Members

BK1803083995 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 17 Mar 95

[FBIS Translated Text] Thirteen members of the Jakarta chapter of PWI [Indonesian Journalists Association] have been expelled because they signed on 7 August 1994 the Sirnagalih Declaration, which refuses to recognize the existence of the PWI and announces the establishment of the Alliance of Independent Journalists. The 13 journalists include former TEMPO editor Gunawan Mohamed, former DETIK editor Eros Jarot, KOMPAS journalist Satrio Arismunandar, and BISNIS INDONESIA journalist (Sirait). Speaking to reporters this evening, PWI chairman Tarman Agam said the decision to expel the 13 members came after the persuasive approach had earlier been used on them.

[Begin Agam recording] We used persuasion on these members, and also held talks with them in the last six months, but we see no change in their attitude. Therefore, we believe that their action may undermine our organization's reputation. The law also stipulates that all journalists must belong to the PWI, the sole journalist organization. So we have to take this action. [end recording]

The PWI Jakarta chapter will also ask the PWI Central Executive Council to confirm the expulsion as well as urge all newspapers not to employ those who signed the Sirnagalih Declaration.

Harmoko Supports 'Discipline' of Journalists

BK2003055095 Jakarta ANTARA in Indonesian 1634 GMT 19 Mar 95

[FBIS Translated Excerpt] Jakarta, 19 Mar (ANTARA)—Information Minister Harmoko has fully supported efforts by the Greater Jakarta chapter of the Indonesian Journalists Association [PWI] to discipline its journalists.

"I fully support the PWI's efforts to uphold discipline," the information minister said at the climax of the commemoration of the National Press Day in Jakarta on Sunday evening.

The information minister said this in the wake of the statement by Tarman Azzam, chairman of the Greater Jakarta chapter of the PWI, that the chapter had expelled 13 members for disseminating publications without permits.

The information minister hoped that other PWI chapters would also take similar disciplinary action. "The PWI will have to take organizational action against members if they violate organizational discipline," the information minister said during the function which was also attended by Religious Affairs Minister Tarmizi Taher; Haryono Suyono, minister of state for population and chairman of the National Family Planning Coordinating Board; and Greater Jakarta Deputy Governor Idrus.

According to the information minister, the PWI must remain in the forefront in ensuring the discipline of journalists as well as taking action against illegal publications.

A similar statement was issued by Sofyan Lubis, chairman of the PWI Central Executive Board. The PWI supports the action of the Greater Jakarta Police in detaining those who have issued publications without permits.

"The PWI supports and thanks the Greater Jakarta Police for its action," Sofyan stated. He added that the PWI would continue to discipline journalists who violate organizational discipline.

Sofyan said the PWI would immediately follow up the case of the 13 journalists whom the Greater Jakarta chapter of the PWI has expelled. [passage omitted on presentation of awards]

Commentary on Efforts To Repay Foreign Debt

BK1903084395 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 17 Mar 95

[Station commentary]

[FBIS Translated Text] The government is determined to accelerate the repayment of foreign debts from the Asian Development Bank and World Bank because their interest rates are relatively high—over 11 percent annually—in order to alleviate the burden on future state budgets. During a working meeting with House Commission VII in Jakarta yesterday, Finance Minister Mar'ie Muhammad said the payment of foreign debt interest and installments has steadily increased from year to year to accelerate the repayment of the debts. In the meantime, the role of foreign aid in state budgets has been reduced in a very cautious manner. The percentage of foreign aid in development was 68 in FY 1989-90, the first year of the Fifth Five-Year Development Plan. The percentage has been steadily reduced and is only about 38 percent in FY 1995-96.

Besides trying to reduce the role of foreign aid in development, we have also enhanced our ability to repay foreign debts by increasing exports. Indeed, the efforts to reduce the role of foreign debt in development must be accompanied by efforts to enhance our efficiency and competitiveness to increase domestic revenue, particularly from nonoil and nongas exports.

In addition, we must create a business climate conducive to investment by domestic and foreign businessmen. Currently we have many opportunities to increase foreign investment. As an example, a stronger yen against the U.S. dollar and German mark will further enhance the interest of foreign investors, particularly the Japanese, in relocating their industries to third countries. There is a question, however: Will we be able to attract Japanese investors to invest in or relocate industries to Indonesia? A stronger yen will not automatically prompt them to relocate their industries to Indonesia because Indonesia has many strong competitors such as the PRC, the Philippines, and Thailand. For this reason, we must foresee opportunities and strengthen our foundation to attract foreign investors to Indonesia. Indeed, we have solid national stability, a factor that attracts investors.

This is not enough, however. There are other conditions, including adequate infrastructure such as seaports and airports, electricity, telephones, and industrial estates. The matter will require due attention if we want to end gradually our dependence on foreign aid for national development, as we are determined to reduce the percentage of foreign loans to alleviate the burden on future state budgets.

Japanese Businessmen Meet Private-Sector Role

OW2003135595 Tokyo KYODO in English 1321 GMT 20 Mar 95

[FBIS Transcribed Text] Jakarta, March 20 KYODO—An Indonesian business leader told a visiting Japanese business mission Monday [20 March] that private-sector roles are extremely important in the Asia-Pacific Economic Cooperation (APEC) forum.

Aburizal Bakrie, head of the Indonesian Chamber of Commerce and Industry, said regional business leaders, when they get together ahead of APEC ministerial and summit meetings in Osaka in November, should actively propose their ideas on trade liberalization and other issues to the APEC talks.

Bakrie was among local business leaders who met the mission sent by Japan's Kansai Economic Federation (Kankeiren).

Bakrie also implied his hope for Japan's support for the East Asia Economic Caucus (EAEC) concept, saying Japan is expected to contribute to regional cooperation in East Asia in light of the fact that the United States and Europe have their strong regional economic blocs.

In a separate meeting later in the day, Tungky Ariwibowo, Indonesia's industry minister, told the mission the government will further promote deregulation to host investment from abroad, and called for Japanese companies to increase direct investment in Indonesia.

Taiwanese Said To Prefer To Invest Elsewhere

BK1903084095 Jakarta THE JAKARTA POST in English 8 Mar 95 p 1

[FBIS Transcribed Text] Jakarta (JP)—A Taiwanese economic study illustrates that Indonesia is less attractive for doing business than Malaysia and Thailand.

Tain-Jy Chen, a visiting director of the Chung-Hua Institution for Economic Research, said yesterday that out of the 253 Taiwanese companies established in five Southeast Asian countries since 1960, only 39 were set up in Indonesia, as compared to 62 in Thailand and 123 in Malaysia.

Vietnam attracted 21 while the Philippines only attracted eight of the companies.

According to his study, which was conducted with cooperation from economic research centers in Asia, including Indonesia's Centre for Strategic and International Studies (CSIS), about one third of Taiwanese companies in Southeast Asia have a paid-up capital of between U.S.$1 million and $3 million.

"Indonesia is still more attractive than Vietnam and the Philippines for Taiwanese investors," he said during a seminar at CSIS on Taiwanese investments in Southeast Asia.

The CSIS's chief economist, Mari Pangestu, said that Indonesia is less attractive than Malaysia and Thailand partly due to its complicated bureaucracy, which hampers licensing processes.

"The government has introduced a series of deregulatory measures but are very slow in implementing them," she commented.

Mari, who was also involved with the Taiwanese study, said that it takes 14.3 months to complete the documents required for investment projects in Indonesia, as compared to the 11.7 months needed in Malaysia and the 10 months in the Philippines.

She added that it takes 17 months in Thailand and 15 in Vietnam to finalize investment documents.

She suggested that the Indonesian government continue to streamline bureaucratic procedures and improve the enforcement of existing deregulatory measures. "Otherwise Indonesia will continue to fall behind Malaysia and Thailand,' she asserted.

She also said the poor infrastructure was a major complaint lodged by Taiwanese investors when doing business in Indonesia.

The study found that almost 40 percent of the surveyed Taiwanese companies strongly required an improvement in infrastructure and legal certainty in Indonesia to support their operations, she said.

"I believe that the Indonesian Government should improve the legal infrastructure to allow for more certainty when doing business here," she said. Marie added that Indonesia should try to get more investment from Taiwan, considering that Taiwan usually invests in labor intensive small and medium sized businesses overseas. Because most Indonesian companies are also small it would be easy for them to deal with Taiwanese partners, she concluded. Taiwan, according to the Investment Coordinating Board, is the seventh biggest foreign investor in Indonesia. It has a total investment commitment of $6.6 billion spread over 327 projects from 1967 to January 31 this year.

Officer on Role of Infantry Weapons Center

BK1703131395 Jakarta REPUBLIKA in Indonesian 16 Mar 95 p 11

[FBIS Translated Excerpt] Banndung—The Infantry Weapons Center [PUSSENIF], as the central force in Army Headquarters, has a strategic role to play in the process of developing the Indonesian Army. The PUSSENIF must constantly enhance its role in the training of infantry and its performance in air surveillance, intelligence work, and military exercises.

"A professional improvement course on military exercises, military intelligence, and technical functions will be conducted so that there will be no overlapping programs for developing the intelligence and fighting capability of soldiers. This is to strike a balance between the intelligence and fighting strength of soldiers," General R. Hartono, Army chief of staff, told REPUBLIKA on Wednesday, 15 March.

Gen. Hartono said this at a ceremony at the PUSSENIF base in Bandung marking the appointment of Major Gen. H.A. Rivai as PUSSENIF commandant, taking over from Maj. Gen. Arifin Tarigan.

Gen. Hartono said that no one system can be implemented forever. "The system has to be evaluated to suit the current situation and conditions," he told REPUBLIKA.

The success of the macroinstruction training system for infantry soldiers is noticeable in the readiness of the infantry soldiers to face all challenges while performing their duty. "They are ready to perform their role either as a defense and security force or as a sociopolitical force," he said.

Gen. Hartono said the technical training course and the techniques of infantry fighting should be stepped up in order to create an army with a solid and stable operational system and reliable fighting strength. [passage omitted]

Maj. Gen. Arifin Tarigan will assume his new post as commandant of the Army Command and Staff College on 17 March.

Philippines

Officials View PRC Vessels in Disputed Area

BK2003081395 Manila PHILIPPINE DAILY INQUIRER in English 16 Mar 95 p 11

[Report by Cynthia D. Balana]

[FBIS Transcribed Text] Puerto Princesa City—Top military officials yesterday expressed concern over an apparent attempt by China to penetrate deeper into Philippine waters as Chinese fishing boats backed by two warships inched closer toward Palawan.

Maj. Gen. Carlos Tanega, chief of the Western Command (Wescom), said fighter jets monitoring the movements of two Yukan-class warships inside the lagoon of Mischief Reef confirmed the presence of an increasing number of illegal Chinese fishermen in the area.

Chinese fleets were spotted as close to Philippine shores as Sabina Reef, only 70 nautical miles off the western coast of Palawan.

In London on Tuesday, President Ramos said China and the Philippines would begin talks on the disputed Spratly Islands on March 19.

In Britain for a trade mission, Mr. Ramos said China had erected drilling platforms in the islands claimed by six countries and believed to contain rich oil and gas deposits.

"Recently our armed forces reported structures in one of our economic zones as defined by the United Nations to extend 200 miles offshore," he said.

Wescom recently destroyed several Chinese markers in Masa-Hasa Island (Half Moon Shoal) and Jackson Atoll, both inside the country's Exclusive Economic Zone, but was unable to demolish two structures there due to bad weather.

Better weather on Monday allowed Wescom to step up air reconnaissance missions in Kalayaan and photograph the locations and movements of the Chinese boats.

"We have confirmed that they have been operating in the area and have been operating as close as the Sabina Reef," Tanega said in a press briefing here during the 19th anniversary celebration of the Wescom.

"They are practically all over the Kalayaan Island Group and there are so many of them."

Tanega said the warships continued to guard four communication structures erected by China on the reef.

"They would not be there without the Navy backing them up if it is not sanctioned by their government," he said.

However, Gen. Arturo Enrile, Armed Forces chief, clarified that there was no increased Chinese military activity in the area.

He said the president had been informed of the latest development and that the AFP [Armed Forces of the Philippines] had been cautioned against an armed confrontation in the area until the scheduled RP [Republic of the Philippines]-China meeting March 19- 20.

"The instruction is for us to show these foreign elements there that we are doing things to discourage them from fishing in the area and make them feel that they are not really as free there to move around and rape our seas," Enrile said.

Armed Forces: PRC Ships in Spratlys Increase

BK2003074195 Manila THE MANILA CHRONICLE in English 16 Mar 95 pp 1, 7

[Report by Eric Garafil]

[FBIS Transcribed Text] Puerto Princesa, Palawan—The number of Chinese fishing vessels around the Kalayaan Islands has increased in recent days, and the Armed Forces of the Philippines (AFP) is trying to limit their movements there.

Western Command Chief Maj. Gen. Carlos Tanega said yesterday a fleet of Chinese fishing trawlers was spotted last week near the Sabina Reef, about 70 nautical miles west of Palawan.

Armed Forces Chief of Staff Gen. Arturo Enrile stressed the military would continue to "show the flag" in the area.

"We make them feel that they are not free to move in the area by flying our F-211, S-211 and F-5s on a regular periodic basis," Enrile said.

Despite this latest development, Enrile said he was optimistic the Chinese naval forces' occupation of Panganiban Reef would be resolved in the March 19 meeting between representatives of the Philippine and Chinese Governments.

Tanega said regular aerial and sea patrols at Kalayaan had monitored the growing number of Chinese trawlers, some of which were touted to have been poaching in Philippine waters.

"They (Chinese fishermen) were even monitored operating 70 to 90 miles west of Palawan. There are efforts to arrest and board their fishing vessels but they leave and come back the next morning backed up by a Chinese naval vessel," Tanega said.

The vessels were even technologically equipped for deep-sea fishing, which, he said, could pose serious damage to corals and marine life.

Enrile said he was still awaiting the result of the series of diplomatic protests by the Philippine Government against China for violating maritime and other laws, particularly the United Nations Convention of the Law of the Sea (UNCLOS).

"China is not a signatory to the UNCLOS. We cannot yet arrest them at the moment since we have already forwarded our protest. It is a continuing protest and we have to wait for the results of the March 19 meeting" Enrile said.

"We are not talking of the Philippines and China here alone. But we are talking of the regional stability, which is a concern of the ASEAN region."

He also stressed that the government is bent on resolving the issue in the most peaceful manner. The military has also destroyed markers built by China at Hasa-hasa [name as published] Shoal or Half-Moon Shoal, about 100 miles from Palawan, and Jackson Atoll. The Chinese occupation of Panganiban Reef was viewed by military officials as "a consistent and aggressive effort by China" to back up its claim in the entire South China Sea.

Ramos Wraps Up Visit to Europe, Middle East

BK2003112795 Manila PHILIPPINE DAILY INQUIRER in English 17 Mar 95 pp 1, 4

[Report by Stella O. Gonzales]

[FBIS Transcribed Text] London (via PLDT)—President Ramos ended yesterday what he described as a "highly successful" 12-day, six-country working visit to Europe and the Middle East.

Among its results were major bilateral agreements with host governments and several joint ventures in the private sector.

Just as important as the business deals was that Mr. Ramos was able to correct the impression, in The Netherlands in particular, of alleged massive human rights violations and the poor peace and order situation in the Philippines.

Mr. Ramos briefed leaders of the six countries on his administration's peace initiatives with the Left, the Muslim secessionists and the rightist military rebels.

He received reassurance from leaders of Iran and Turkey, both predominantly Muslim countries, of their support for the Philippine Government's peace negotiations with the Moro National Liberation Front.

Officials said business agreements worth $1.6 billion were signed during the president's trip to the United Arab Emirates (March 5), The Netherlands (6-8 March), Turkey (8-10 March), Iran (10-11 March), Denmark (11-12 March) and the United Kingdom (12-16 March).

These do not include agreements still to be signed here today. The president was scheduled to leave Heathrow Airport for Cebu City at 7:50 p.m. Thursday (3:50 a.m. Friday in Manila) on board a chartered Philippine Airlines DC10. A brief stopover was scheduled in Dubai. He is due in Cebu at 9:30 tonight [17 March].

Mr. Ramos said he was "fully satisfied" with the results of his trip, which he expected to help hasten the country's economic growth.

He said the visit also gave the government the opportunity to renew or establish personal contacts with statesmen of Europe and the Middle East.

Among the leaders Mr. Ramos met were UAE [United Arab Emirate] President Sheikh Zayid Bin-Sultan Al Nuhayyan, Turkish President Suleyman Demirel and Prime Minister Tansu Ciller, Dutch Prime Minister Willem Kok and Iranian President Ali Akbar Hashemi-Rafsanjani.

Grand Cross for FVR [Fidel Valdez Ramos]

Two hours before flying home, Mr. Ramos was to meet British Prime Minister John Major at 10 Downing Street. Major had been out of the country on a trip to the Middle East.

The president also met three queens—Beatrix of The Netherlands, Margrethe of Denmark and Elizabeth II of the United Kingdom.

At Buckingham Palace on Tuesday, Queen Elizabeth conferred on Mr. Ramos the Grand Cross of the Order of St. Michael and St. George.

Mr. Ramos said his visits to the six countries "opened new frontiers" for Philippine international relations and sustained the momentum of interest generated by his visits last year to Western Europe and the Middle East in September and October.

The trip, he said, enabled him to inform businessmen in the six countries of the economic opportunities awaiting them in the Philippines.

Mr. Ramos said his UK visit surpassed his expectations.

During dinner hosted by Ambassador to the Court of St. James's, Jesus Tambunting on Wednesday, Mr. Ramos said: "The hospitality that my delegation and I have been privileged to receive from our hosts has flowed graciously.

"This visit has been very satisfying and well-spent, for we have gained a lot of new supporters and revived and strengthened old friendships that we have always held in deep regard."

Interviews by global media

"I also believe that we were able to clarify wrong perceptions and misimpressions about the Philippines."

In London, Mr. Ramos was interviewed by major media establishments like Cable News Network, British Broadcasting Corp., International Herald Tribune, Associated Press, The Economist and BBC Radio. He also held a press conference with foreign journalists based in London.

Among the joint venture projects and agreements:

— Construction of a power station in Sual, Pangasinan, by GEC Alsthom's Power Generation Consolidated Electric Power Asia (a Hong Kong-based subsidiary of the Hopewell Group) and Pangasinan Electric Cooperative. Estimated to cost $600 million (not $1 billion as previously reported).

—A $300-million power purchase agreement between Manila Electric Co. and First Philippine Gas Power (a joint venture of the First Philippine Holdings and British Gas).

—A $240-million agreement between Omni Asia and National Steel Corp. for manufacturing steel works for distribution to Asia-Pacific countries.

—The $55-million memorandum of understanding between the National Power Corp. and Magellan Utilities Development Corp. for the latter to build overhead lines and substation works for the proposed power plant in Pinamucan, Batangas.

—A $76-million memorandum of understanding between the Dutch firm SHV Makro N.V. and Philippine companies SM Investments Corp. and Ayala Land Inc. to set up a chain of Makro warehouse club-type stores in the Philippines.

—A letter of intent between Atlantic, Gulf Pacific Co. of Manila and Cleveland Structural Engineering Ltd. for a $6-million contract for the fabrication and delivery to Hong Kong of structural steel work.

—Construction of a $29-million shipbreaking yard in Balayan, Batangas, by Amstel Philippines Shipbreaking Corp. and the Dutch firm Acer.

Foreign Investments in 1994 Rise 72 Percent

BK1803084995 Manila BUSINESS WORLD in English 15 Mar 95 p 10

[FBIS Transcribed Text] Aggregate foreign investments in new and existing domestic and foreign entities for the whole of 1994 amounted to P[pesos]12.665 billion, up 72 percent from P7.363 billion the previous year.

The number of foreign investments went up 22.5 percent to 2,617 compared with 2,136 in 1993.

The increase in both the number and amount of foreign investments can be attributed to the favorable economic performance last year. This, in turn, brought back and boosted foreign investors' confidence to do more business in the country.

Moreover, the significant financial, economic, and monetary policies adopted by the government contributed to the steady growth of foreign investments.

Foreign investments in domestic entities surged 100.1 percent to P12.127 billion against P6.059 billion previously. Capital inflows in these entities were mainly composed of cash amounting to P8.613 billion, an 83 percent upsurge from P4.706 billion in 1993. Others were in the form of property, registering a fourteen-fold increase to P1.880 billion; shares of stock, recording a 47.2 percent drop to P16.3 million; stock dividend, posting a 66.3 percent growth to P1.100 billion; debt-equity swap, declining 29.8 percent to P8 million; offset of liabilities, sinking 36.3 percent to P329.7 million; and, merger, skyrocketing 8,905 percent to P180.1 million in 1994.

Meanwhile, foreign capital infusion in foreign entities stood at P538.7 million last year from P438.2 million in 1993, indicating an improvement of 22.9 percent. Foreign investments in such entities were entirely in the form of cash valued at P538.7 million.

However, foreign investments fell 60.8 percent to P1.33 billion in December 1994 from the previous month's P3.396 billion.

Initial paid-up capital of domestic businesses stood at P697.7 million, additional equity of existing local companies amounted to P610.8 million, operating capital of seven foreign stock corporations were valued at P16.2 million while additional remittances of 14 regional headquarters of multinational companies were placed at P8.3 million.

During the month in review, the most active investors were 95 Japanese. Chinese nationals ranked second.

Foreign reinvestments in December 1994 plunged 76.1 percent to P610.8 million over P2.552 billion a month ago. Americans led other foreign reinvestors, pouring in P277.4 million additional financial muscle. The Japanese ranked second with P177.3 million last December.

Thailand

U.S. Urged To Rethink Policy Toward Burma

BK1903090095 Bangkok THAI RAT in Thai 18 Mar 95 p 3

[Editorial: "Think Carefully, America"]

[FBIS Translated Text] It is a fact that many countries have similar feelings as the United States and are very unhappy with the Burmese military government for violating human rights, depriving the Burmese people of basic freedom, avoiding political reform, and declaring that it would detain Aung San Suu Kyi another six months after she is due to be released in July. However, it would be unproductive for the United States to downgrade its relations with Burma.

As a Southeast Asian nation, we agree with the U.S. desire for democratic government in Burma but disagree strongly with the method of the United States and several Western countries to isolate Rangoon to pressure it to comply. It is the innocent Burmese people who will become the real victims of the punishment by the international community.

Likewise, we disagree with the approach of Thomas Hubbard, U.S. deputy assistant secretary of state, during his visit to Burma last November to submit a defacto ultimatum to Rangoon. His act was no different from General Perry's blockade of Tokyo Bay in the past to force Japan to open up its country. Four months after failing to gain a response from Burma, the United States has set a new measure involving the possibility of downgrading its diplomatic relations. The United States never asked Burma why it could not comply with the its demand.

We wish to remind the United States that it is probably not possible for Burma to do everything simultaneously—to stop violating human rights, restore democracy, and suppress narcotics. The United States should set its priorities, which we feel should emphasize full assistance to Burma to suppress narcotics, particularly when the United States knows that Burma is the biggest source of narcotics production and that large amounts of it are smuggled into its territory.

Despite knowing that the main obstacle to Burma's suppression efforts is the fact that it does not have control of all its territory, the United States is cutting its assistance for suppression. The outcome can only be detrimental to the United States itself. A ban on U.S. investment in Burma will only allow other countries to freely divide up the cake. Petroleum investment in Vietnam should have taught the United States a lesson.

It is easy to downgrade diplomatic relations to the charge d' affaires level and to cut assistance for narcotics suppression, but what could result is an even bigger influx of narcotics to the United States and the disappearance of democracy in Burma. Does the United States want this to happen?

Foreign Minister Departs for Visit to China

BK1903151495 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 19 Mar 95

[FBIS Translated Text] Foreign Minister Dr. Krasae Chanawong has left for a official visit to China until 21 March. Today he will have dinner and informal discussions with Chinese Vice Foreign Minister Tang Jiaxuan. Tomorrow he will hold consultations with Chinese Foreign Minister Qian Qichen, pay a courtesy call on Premier Li Peng, and visit an economic development zone in Tianjin. A team of Thai businessmen is also accompanying the foreign minister to explore trade cooperation.

Warnings Before Copyright Law Enforcement

BK2003112295 Bangkok BUSINESS DAY in English 20 Mar 95 p 3

[FBIS Transcribed Text] The Government has sent out warning notices to software pirates and retailers ahead of the new copyright law which comes into effect tomorrow.

The Copyrights Act (1994), introduces fines of between 20,000 to 200,000 baht for the copying in Thailand of software for private use. Up to four years imprisonment in addition to fines of between 100,000 to 800,000 baht await those found guilty of pirating software for commercial use.

Baker and McKenzie, the local representative of US-based software watchdog Business Software Alliance (BSA), said it would target retailers of pirated software in preparing cases for prosecution.

"They have done an enormous damage to our clients' businesses," said Thiraphon Suwanprathip, Baker and McKenzie's partner in Thailand. "These people copied our clients' programs for a living. We'll keep them at the top of our priority list."

Retailers of pirated software in at Phanthip Plaza, the shopping mall known as a "center" of pirate software programs in Bangkok, began removing pirated merchandise after the effective date of the law was made public last week.

The police need no concrete evidence to arrest suspects after receiving formal complaints from software publishers, said Police Colonel Ratthawit Santawisuk of the Police Department's Economic Crime Investigation Division, said.

"It is obvious that the pirated software retailers copied the software programs for commercial purpose," he said. He added that the law would allow shop raids and arrests without need of search or arrest warrants.

Shop owners at Phanthip Plaza admitted that their business will be damaged when the law is enforced.

"We won't be able to keep the prices affordable to every class of computer user," said one shop owner. "An individual buyer isn't going to pay 5,000 baht per one program, it's too expensive for them."

Legal software prices start at 4,000 baht a set (for two to four diskettes, depending on the programs), another shop owner said, adding that pirated software programs at the Phanthip market began as low as 50 baht for each diskette. "Thai people are different from the Americans. They don't care about the copyright protection. They just want to buy cheap products," the shop owner said.

Corporate software violators will be forced by law to kick the old habit. BSA's Mr Thiraphon admitted Baker and McKenzie would have a tough job monitoring corporate piracy, or bringing offenders to court.

"We will need a very thorough investigation and some inside information," he said. Precise details were needed to make a prosecution stick. "We can't just tell the police to raid the company because we risk the lawsuit if the police find nothing there," Mr Thiraphon said.

According to Thamniti Computer Systems, software piracy in Thailand cost companies 3.3 billion baht ($133 million), compared with a legal turnover of 7.05 billion baht.

Editorial Views Different Border Policies

BK1903140695 Bangkok THE SUNDAY NATION in English 19 Mar 95 p A 4

[Editorial: "Thai military needs clear policies on frontiers"]

[FBIS Transcribed Text] Without restraint or warning, the Thai Army decided to vent its anger over the intrusion and killing of two Thai paramilitary sergeants of the Suranari Task Force on Feb 28 by a group of armed Cambodian Government forces. This resulted in the killing of at least 10 intruders in the hot pursuit by the Thais, which was fully supported by artillery and surveillance aircraft.

The official Thai warning and protest over the Cambodian ambush on a Thai military jeep in Sisaket's Khun Han district, in which four other Suranari forces were also injured, only came four days after the Cambodians were killed in an apparent revenge bid.

Army Commander-in-Chief General Wimon Wongwanit expressed his frankness by saying: "I have told my men to reciprocate such violence with violence. We cannot let our people die for nothing. Thais were not born to be killed by others." Prime Minister Chuan Likphai was even more vocal, stating that his administration would formally protest to Cambodia over the tragic mishap and demand compensation for the families of the dead and injured.

"We will drastically respond. We won't let our people die for nothing," he said.

Early this week, the Thai government demanded its Cambodian counterpart for an explanation and an investigation into the arrest on March 9 of three Thais for ransom by local Khmer authorities at the Poipet border crossing. The hostages were freed only when a huge sum of money was paid and a document signed to affirm that they had not paid a ransom. As an immediate reprisal, the Thai Army threatened to close the cross-border checkpoint unless the ransom was returned.

The sudden Thai military retaliation over the Cambodian attack has stunned the general public, who have not been kept well informed of violations of Thai territory by Cambodian troops. On the contrary, daily news reports, both in the press, and radio and TV, were flooded with numerous stories of incursions by armed Burmese and renegade Karen forces into refugee camps along the Thai western frontier with Burma.

For the past two months, the Thai government and the military have failed to convince the Burmese junta and the breakaway Democratic Kayin Buddist Organization (DKBO) to stop their illegal intrusions into Thai territory to violently harass tens of thousands of Karen refugees in Thai border camps.

Unlike the Cambodian incident, surprisingly, no military actions or retaliations were carried out when the Burmese and DKBO intruders failed to heed repeated Thai threats and warnings of drastic reprisals.

Groups of armed Burmese and DKBO troops continue to cross the Moei and Salween rivers illegally, at will, into refugee camps in Thailand's Mae Hong Son and Tak provinces. Apart from violent physical and verbal harassments, the intruders loot, maim, and have killed a number of Karen and Burmese refugees as well as Thai villagers. Also, a number of high ranking and senior leaders of the Karen National Union (KNU) who have been taking temporary refuge in the camps, were forcibly kidnapped.

The latest incident in which a Thai paramilitary ranger was killed and another seriously wounded by a group of armed intruders, who crossed the Salween River into Ban Mae Samriap in Mae Hong Son's Mae Sariang district, did not receive the same official attention as the incident in Sisaket, when Thai paramilitaries were ambushed and killed by Cambodian forces. Why the double standard we wish to ask? The sad fact is that despite frequent reports of Burmese and DKBO territorial violations and criminal actions, the Thai Government and military do not seem to take the worsening border stability and security along its western border with any amount of seriousness.

KNU guerrilla leader Gen Bo Mya was right when he said the Burmese junta has "no respect for Thailand and Thai authorities." Predicting a more chaotic scenario, the Karen general has on many occasions urged the Thai government, particularly Prime Minister Chuan Likphai, to provide security and protection for 70,000 Karen refugees taking shelter in a dozen or so camps along the border.

About 8,000 refugees, who feel unsafe residing in Ban Huai Manok in Tak's Tha Song Yang, decided to move deeper into Thailand on Thursday for fear of more threats and violence from Burmese and DKBO troops who sneaked into their camp a day earlier in an attempt to kidnap a Karen camp leader. The intruders threatened to return by this weekend if the fugitives fail to return to Burma.

The refugees have to take their own preventive measures when they feel that they cannot rely on Thai security authorities, who fail to protect not only the fugitives but also their own territory from foreign incursions. Time and again, the Burmese junta, known as the State Law and Order Restoration Council (Slorc), has taken advantage of Thailand's couldn't-care- less attitude towards the Burmese pro-democracy movements, both inside and outside Burma, and armed ethnic struggle for autonomy, to exploit Thai sovereignty and territorial integrity.

In fact, the Slorc has, on numerous occasions, publicized slanderous accusations against Thailand and Thai authorities in its media. Although the name of the country is never mentioned in the reports, the words, "the third country" or "the other country," clearly identify Thailand as the target of Slorc.

Gen Wimon seems to have forgotten that the western border is currently in a more chaotic situation than the eastern front, and the refugees from Burma need an immediate guarantee of physical protection, not just verbal guarantees. Perhaps the economic stakes in Burma are higher than that in Cambodia and government ministers, security authorities and politicians are more than willing to sacrifice humanitarian principles for economic exploitation.

The arguments put forward by the Thai government and the Army that the Thai-Burmese border is very long (being over 2,300 kilometres) and that it is impossible to for security forces to oversee every kilometre of the frontier is absurd. If the Thai people at the frontiers and refugees cannot entrust their safety, lives and properties in the Thai military, who else can they turn to in times of emergency. Clearly the role of the Thai military is to prevent foreign intrusions into the country.

Not only is the situation on the western frontier in a state of confusion but also the attitude of the Thai armed forces in protecting it. Clearly the Thai military needs a complete overhaul of its border policies. The double standard practiced now between different frontiers will only make them laughing stocks in the eyes of the international community.

Official on Mediating Burma-Karen Dispute

BK1803083795 Bangkok THE NATION in English 17 Mar 95 p A2

[FBIS Transcribed Text] Thailand would consider acting as a mediator to end the on-going confrontation between the Burmese military junta and ethnic Karen guerrillas if it was asked to by the "legitimate government of Burma" instead of the Karen, National Security Council [NSC] chief Gen. Charan Kunlawanit said yesterday.

As the request, so far, had only come from the Karen National Union (KNU) Thailand is reluctant to participate, he said.

"There has not been any official proposal for our assistance. But we would be more willing if the request came from the legitimate government of Burma," Charan said.

Prime Minister Chuan Likhpai has given the green light if such proposal is made, saying Thailand wants to see an end to the long- running confrontation between Burma's State Law and Order Restoration Council (SLORC) and the KNU.

Deputy Foreign Minister Surin Phitsuwan has said a request must come from both parties if Thailand is to be a mediator.

"Thailand will decide whether to be the middle man or not if a request comes from the Burmese government," Charan told reporters, adding that it is up to the Burmese to work out details for such an arrangement.

Charan declined to say, when asked, whether Thailand would contact the Karen to participate in the talks if a request was put forward.

His comments came after he attended the weekly meeting of the NSC, which was chaired by Chuan. In the meeting, those attending were informed of the current situation along Thailand's borders with Burma, Cambodia, and Laos.

The meeting supported the policy of granting temporary shelter to refugees escaping the military confrontation until the situation returns to normal. "But on condition that Thailand is not used as a base for insurgent activities against the Burmese government," Charan added.

Burma's Democratic Kayins Buddhist Organization, Buddhist guerrillas who broke away from their alliance with the mainly Christian KNU, have been blamed for illegally entering Thai refugee camps to kidnap Karen leaders. The abductions drove the Thai government to protest twice to the Burmese government.

Asked whether the protests were sufficient to end the incursions, Charan said the government had done what it could and that retaliation against the intruders had already taken place, but he did not elaborate.

Regarding Burmese students taking refuge in Thailand, Charan warned that they were illegal immigrants and therefore they and their supporters could face legal action.

"In the meeting, the Interior Ministry was asked how Burmese students could freely live in the country. Therefore, it was agreed that the ministry would take concrete action against the students," Charan said, again without elaborating.

In a separate interview, Surin, who attended the same meeting, said that the Interior Ministry would set up a centre to monitor and oversee the Burmese taking shelter in Thailand's border province of Tak.

"Thai authorities will step up preventive measures to ensure the safety of the Burmese based there, as well as local Thais," Surin told reporters, adding that the Burmese in the camps did not have refugee status.

"The Burmese government has also got upset with the Thai military, who fired warning shots into Burma when stray shells landed on Thai soil, and these shells sometimes injured Burmese soldiers," Charan said.

Surin said there would stricter measures to ensure safety in the border camps, including defining the exact areas that the Burmese can travel within.

Referring to the possibility of Thailand becoming a mediator in the confrontation, Surin said that both sides had different ideals on peace talks.

One side is willing to talk anywhere and without conditions, he said, while the other will only talk in areas controlled by them.

No Exports Reduction Seen Due to Baht Surge

BK2003111995 Bangkok THE NATION in English 20 Mar 95 p B1

[Report by Charuwan Loetwinyu]

[FBIS Transcribed Text] The Bank of Thailand has said that the strengthening of the Thai baht [Bt] against the US dollar during the first quarter would not cause a reduction in exports.

The strong local currency is also not expected to undermine this year's economic growth forecast of 8.5 per cent.

Thanya Siriwethin, director of the central bank's Department of Economic Research, made the statements over the weekend following new reports from garment exporters that the falling value of the US dollar would undermine Thai exports.

But Dr Chokchai Aksoranan, chairman of the Federation of Thai Industries, Praphat Phothiworakun of Kanyong Electronics and Wirot Amatakunchai, chairman of the Garment Association of Thailand shared the opinion that the dollar's fall will make Thai goods less competitive in the US market.

Thanya said there would not be an impact on the overall export volume although the profitability of exporters might be affected by the currency fluctuation.

The profit reduction could be limited to only 1.5 per cent which is the amount the baht has appreciated against the greenback since mid-January, when the Mexican peso crisis broke out.

"(The profit reduction) ought to be within the ability (of exporters) to absorb, because their profit margin is usually about 10 per cent. Obviously, the profit reduction makes them feel bad but the Bank of Thailand does not think that overall exports would be affected," she said.

The official cited a set of figures showing that the baht had risen 8 per cent against the US dollar in the past decade.

"People may be concerned because the US dollar has weakened within a short time. The 1.5 per cent appreciation of the baht against the US dollar will not cause a change in the structure of Thailand's exports," Thanya said.

Last year, 21.1 per cent of Thailand's exports went to the US, 17.7 per cent to Asean, 17.1 per cent to Japan and 14.9 per cent to the European Union. Ninety per cent of export receipts were in US dollars.

Thanya said Thailand's exports to Japan could change because the Japanese yen had risen 8-9 per cent against the baht.

A study has revealed that a 1 per cent appreciation of the yen against the baht would increase Thailand's exports to Japan by almost 0.5 per cent and reduce Thai imports from Japan by about the same level.

Imports from Japan accounted for 30.2 per cent of Thailand's total imports last year. Thus a 10 per cent increase in the value of the yen against the baht should improve Thailand's balance of trade by Bt10 billion.

"We believe that even though this year's international currency fluctuation could be the most volatile in a century, there will not be an impact on Thailand's exports which are the catalyst for growth in the Thai economy," Thanya said.

She said GDP growth this year will be 8.5 per cent, the target, but some economic sectors might face slower growth due to rising interest rates.

Burmese Drive Against Khun Sa Hurts Exports

BK2003055695 Bangkok BANGKOK POST in English 20 Mar 95 p 7

[FBIS Transcribed Text] Thailand's exports to Burma and China are being blocked by the Burmese government's drive to wipe out Khun Sa's Muang Tai Army, according to Thai traders.

Fighting, which yesterday moved into its tenth day near Doi Pha Daeng Luang, less than 10 kilometres from the Thai border, is delaying exports of consumer products and construction materials to the Burmese town of Keng Tung and to southern China, through Burma.

Goods were stranded in warehouses in Tachilek and in Mae Sai district, Chiang Rai province, because there were no trucks to take them from Tachilek to Keng Tung, said a Thai trader who asked not to be named in case his business was adversely affected.

"The government has seized all trucks and even private cars in Tachilek to carry soldiers and weapons.

"Cars of Thai businessmen working there were also taken away," said the trader, whose pick-up truck, loaded with goods, was destroyed by gunfire in Burma.

Truck drivers in Keng Tung would not dare to head for Tachilek owing to the danger en route, he said, suggesting the Thai authorities should not allow Thai tourists to drive their cars to Tachilek.

If the situation continued until the end of March exports through Mae Sae, worth about 20 million baht a day, would be adversely affected.

Transport of goods from Chiang Mai and Chiang Rai provinces would have to be suspended because warehouses in Mae Sai would be full, he said.

A Thai immigration police officer, who declined to be named, said some Thai and foreign tourists were stranded in Keng Tung as there were no vehicles to bring them to Thailand.

Ammunition Believed Headed for Khun Sa Seized

BK1803113895 Bangkok SIAM RAT in Thai 18 Mar 95 p 15

[FBIS Translated Text] Police Lieutenant General Kowit Phakdiphum, assistant police director general and chief of police for Region 5, gave a news conference at 1500 on 17 March at the Region 5 headquarters. He said the police checkpoint on the Chiang Mai-Fang Highway at Ban Mae Na intercepted a black Suzuki jeep with the license plate Chiang Mai Ngo 2553 and found 7,000 rounds of AK- 47 ammunition and 64 ammunition magazines hidden in a cardboard box. The driver—Anan Khamphiri, 19 years old, with a residence at 90 Tambon Changphuak, Chiang Mai Province—was arrested.

Anan claimed owner of the jeep, Aphidet, told him to pick up a box containing auto spare parts from Nim Si Sen Transport Company and deliver it to a customer at the Thai-Burmese border in Wiang Haeng District. He was paid 226 baht by Aphidet.

The police estimated the ammunition to be worth about 500,000 baht and believed the ammunition to be destined for Khun Sa's force.

Army Chief Rejects Report Blaming Khmer Rouge

BK1903091595 Bangkok BANGKOK POST in English 18 Mar 95 p 6

[FBIS Transcribed Text] Army Commander-in-Chief Gen Wimon Wongwanit yesterday criticised an investigation report by the Cambodian government which blamed the Khmer Rouge for the massacre of 22 Thai workers in Cambodia last September.

"The report cannot be trusted yet. It needs more verification on many issues," said Gen Wimon.

A few hours after the army chief voiced his doubts, Cambodian Defence Minister Gen Tie Banh told the BANGKOK POST that Phnom Penh has thoroughly investigated the case and has concluded that the massacre was conducted by Khmer Rouge guerrillas operating near the killing site.

"For us on the Cambodian site, there's no doubt who the killers were," said Gen Tie Banh.

The report is expected to be officially handed over to Thailand during the official visit of Cambodian Second Prime Minister Hun Sen.

Gen Wimon said he would like to urge BLP Import Export Co to tell the truth about the massacre, adding that the company knew exactly who was behind it.

The army chief said the public was confused about the incident, with the Cambodian Government and the Khmer Rouge blaming each other.

The incident took place in Cambodia's Preah Vihear Province where the company had a logging concession at a site about 70 kilometres from An Ma Pass in Ubon Ratchathani province.

The public is unlikely to know what really happened unless the company uncovers the mystery, he said.

Gen Wimon said the Thais who have been killed will not die in vain, and the army will know in the end what really happened, although it might take some time.

"In the end we'll find out," Gen Wimon said.

Thailand has made it clear to the Cambodian Government that as long as the mystery of the massacre remains unsettled it is unlikely that bilateral relations between the two countries will improve.

Gen Tie Ban said there was no need to conduct further investigation on the massacre as "we were convinced, after having a chance to talk to some of the survivors, that the Khmer Rouge carried out the killing."

Gen Tie Banh said: "We can confirm from our investigation that it is the Khmer Rouge."

When asked whether the survivors were Thais or Khmers, Gen Tie Banh said they were Thais.

Gen Tie Banh yesterday blamed the Khmer Rouge over the deteriorating relations between Thailand and Cambodia.

"I'm very concerned about relations between our two countries, and we're trying our best to improve the situation. But it's the Khmer Rouge which strained the relationship between us.

"Whenever we go in (to suppress them) it will inevitably involve military clashes (between Thai and Cambodian forces), leading to misunderstandings—and that helps nobody," said Gen Tie Banh.

Private Sector Urged To Adopt Countertrade

BK1903085695 Bangkok Radio Thailand Network in English 0000 GMT 18 Mar 95

[FBIS Transcribed Text] The Thai private sector has been urged to adopt the government policy of countertrade with foreign countries. The call was made by Deputy Prime Minister Suphachai Phanitchaphak at a seminar on business opportunities under Thailand's countertrade policy, held in Bangkok yesterday.

Mr. Suphachai said the government had established as its policy to require all government agencies to adopt the countertrade system when they buy foreign products worth over 500 million baht. Under the system, he said, Thailand's trading partners must buy some Thai products in return or they could also offer technology transfer to Thailand. For example, Thailand agrees to buy machinery from Sweden for use at its first garbage thermal power plant in Chiang Mai Province. In exchange for the project, Sweden agrees to provide some scholarships for Chiang Mai University students to continue their studies in Sweden.

Mr. Suphachai called on the private sector to be aware of the importance of the countertrade policy. He said the policy would help reduce Thailand's trade deficit and expand the country's export markets.

Government To Extend Territorial Waters

BK1903093495 Bangkok THE NATION in English 18 Mar 95 p A3

[FBIS Transcribed Text] Thailand has been drafting an announcement and subsequent related laws for the extension of its territorial waters from 12 to 24 nautical miles, Deputy Foreign Minister Surin Phitsuwan said yesterday.

Surin said that unlike the full sovereignty Thailand exercises over its 12 nautical miles of territorial waters, the country would have limited authorized power over the extended waters, called a "contiguous zone", in only four areas: customs, taxation, immigration and public health.

"The authorities concerned have been drafting the announcement and related laws for the extension of territorial waters, which would then total 24 nautical miles," Surin told reporters.

Signatories of the treaty drafted at the Convention of the Law of the Sea can choose to extend their territorial waters by 12 nautical miles for purposes of national benefit.

Surin, a southern MP of the Democrat Party, yesterday defended his party against criticism that the government—led by his party's leader Chuan Likphai—has done nothing to counter oil smuggling in the Thai sea.

"The studying and drafting processes were conducted long before the oil smuggling was publicized. The process takes time as it needs careful consideration," Surin stressed.

The Navy recently raised the proposal to extend the territorial waters as one way to minimize oil trafficking in the Gulf of Thailand.

Wasin Thirawetchayan, deputy director general of the Department of Legal and Treaties Affairs, said at the same briefing that currently only the United States has extended its territorial waters zone to 24 nautical miles.

"Generally authorized officials can take legal action if the offence is conducted in territorial waters and moves into the extended area, or vice versa," Wasin said.

Vietnam

U.S. Defense Mission Visit on MIA's Noted

BK1703151995 Hanoi VNA in English 1459 GMT 17 Mar 95

["US MIA Officials Visit Vietnam"—VNA headline]

[FBIS Transcribed Text] Hanoi VNA March 17—Deputy Assistant Secretary of Defence James Wold led a mission of US MIA officials for a visit to Vietnam from March 12-15.

While in Vietnam, the US MIA officials met with representatives of the Ministries of Foreign Affairs, National Defence, the Interior, and Labour, War Invalids and Social Affairs and the Vietnam MIA Office. They toured a site in Hai Hung Province, 55 kilometres east of Hanoi, where joint Vietnamese-US field teams were excavating.

The US side spoke highly of the Vietnamese Government and people's humanitarian policy and effective cooperation in the past, and informed the Vietnamese side that the entire question was under consideration and review. They said they hoped that Vietnam would continue with its cooperation to conduct the most adequate reviews of missing cases.

The Vietnamese side reaffirmed its goodwill to continue cooperating with the US side to settle the MIA issue.

Italy Pledges $62 Million in Aid

BK1803084795 Hanoi Voice of Vietnam in English 1000 GMT 16 Mar 95

[FBIS Transcribed Text] Italian Foreign Minister Ms. Susanna Agnelli said her country would grant a $62 million credit aid to Vietnam in the coming two years. At the meeting with Vietnamese Vice Premier Nguyen Khanh now on a visit to Italy, the Italian foreign minister and the Vietnamese leader agreed to strengthen cooperation in the field of infrastructure construction and development of private trading under contract.

National Assembly Groups Visit Tunisia, Sweden

BK1903084695 Hanoi VNA in English 0718 GMT 18 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 18—A delegation of Vietnam's National Assembly led by Mr. Nguyen Ha Phan, Politburo member and secretary of the Communist Party of Vietnam Central Committee and vice chairman of the National Assembly, paid an official friendship visit to Tunisia from March 13-15. During the visit, the Vietnamese delegation held talks with a delegation of Tunisia's National Assembly led by Mr. Hadikhalil, first vice chairman of the Tunisian National Assembly. At the talks, the two sides informed each other of their external and internal polices and international issues of common concern. They discussed measures to promote their friendship and multi-faceted cooperation, particularly in economic, cultural, scientific and technical domains, in principle of mutual benefits. The Vietnamese delegations was received by Tunisian chairman of the National Assembly Habib Bulaarah. Mr. Phan met with Mrs. Nadiha Daruk, assistant to the general secretary of Tunisia's Democratic Constitutional Assembly Party, Mr. Saleh Zin bin Mubarak, minister of trade, and Mr. Mohamed el-Gatusi, minister of international cooperation and investment. The Vietnamese guests toured a number of economic, cultural and tourist establishments in Tunisia. Another delegation of the economy and budget led by Mr. Tran Van Nhan, deputy head of the commission has paid a visit to Sweden. While in Sweden, the Vietnamese delegation held talks with a delegation of the Finance Commission of the Swedish Parliament led by Mr. Jan Bergqvist, head of the commission. The Vietnamese guests were received by Mrs. Birgitta Dali, president of the parliament. They had working sessions with the Ministry of Finance, the general tax collection department, and the Central Bank, the security market centre, SIDA, the Industrial and Export Association of Sweden.

Vu Oanh Discusses Tourism Development

BK1903132995 Hanoi NHAN DAN in Vietnamese 14 Feb 95 p 3

[FBIS Translated Text] The development of tourism is currently receiving strong encouragement from the party and state. Tourism is considered an important branch of our country's economy. Tourism development is an important part of the programs to accelerate economic development on the way to industrialization and modernization. The resolution of the party Central Committee Seventh Plenum is to "strongly develop tourism into a large-scale industry corresponding to our great potential in this field."

Reality in tourism development in other countries shows that tourism is one of the largest sources of national income. It creates jobs and serves as the most effective method of wealth redistribution between countries as well as a measure to adjust the international trade balance. On the other hand, tourism is the natural child of peace and a means of consolidating peace since it strengthens mutual understanding and encourages international interaction. Characteristically, tourism reflects relations between human beings, respect for history and nature, and an inclination to preserve one's own traditional culture as well as to befriend international cultures.

For these reasons, all countries strive to invest in tourism development. Every year there are 500 million people all around the world traveling abroad. Income from tourism has increased about 50 times in the last 30 years, from $7 billion in 1960 to $324 billion in 1993. Apart from advanced European countries like France, Italy, Spain, and the like, which every year receive 40-50 million international tourists each—or Japan, which receives more than 10 million tourists a year—thus drawing gigantic amounts of foreign currencies to the host countries, our neighboring countries have also scored significant success in tourism development. Singapore's international tourists outnumber its population by 2.5 times and it earns $8 billion every year. In Malaysia, 6.5 million tourists come every year, creating employment for 22 percent of the country's labor force. Thailand has 6.2 million tourists a year, earning it over $5 billion, which tops all other exports and exceeds income from rice export by 1.5 times (Thailand is one of the top rice exporters of the world).

Tourism development also helps other branches of the economy. In countries with a developing tourism industry, the living standards of the people are also improved. The benefits coming from tourism are not just direct income generated by tourism agencies but also other social income. When a tourist spends an average of $1,000 in a trip, nearly half of the amount is for shopping and one third for food and transport. We can correctly call tourism an on-the-spot export industry. Tourism creates many jobs opportunities, not only direct jobs in hotels and restaurants, but other indirect jobs in other tourism services; not only tourism-related jobs, but also jobs in other manufacturing industries, trade, and services. Farmers and trading people are happy at the increasing sales of their agricultural and handicraft products. More workers will be employed in areas such as construction, road building, hotels, and the development, preservation, and restoration of cultural, historic, and scenic projects. Tourism affects almost all sectors and many people. Tourism development brings economic, political, and social benefits to countries as well as to the peoples.

Tourism development in our country has been sluggish as a result of war, an underdeveloped economy, poor infrastructure, and also our incomplete awareness. In recent years, however, thanks to the renovation and open door policies of the party and state, and to political stability and the strong pace of economic development, our tourism industry has begun to flourish and develop at a rapid speed. Numbers of international guests coming to visit and study opportunities for cooperation and investment increased by 1.5 times each year in comparison with the previous year. From 200,000 guests in 1990, in 1994 we received over 1 million international guests. This is a good record and shows excellent progress. Domestic tourists also rose to 3 million, evidence of the growing need for tourism among our people and the efforts of the tourism industry in providing services to fast growing numbers of tourists, international and domestic alike.

However, the development of the tourism industry in our country is still insignificant if we take into consideration the vast tourism development potential of our country, and if we compare our tourism industry with those of our neighbor countries.

To create great changes in tourism, we have to promote a thorough awareness among the masses and all sectors and echelons. Tourism development should involve practical and efficient tasks with the participation of millions of people. The tourism sector has recently launched the "All People Understand Tourism" competition. The sector should strive to make the people understand that tourism is not developed for the interest of wealthy people but for ourselves, as it contributes to the industrialization and modernization of our country.

The level of people's knowledge and education plays an important role in attracting foreign guests to our country. The Vietnam smile and the attitude toward life that always stays above the level of our low living standards have long been Vietnamese characteristics that are attractive to tourists. The masses also play an important role in preserving and enriching traditional and cultural features, maintaining and restoring historic and scenic sites, architectural buildings, temples, festivities, and folk music. The masses are capable of producing and upgrading the best of Vietnamese products for tourism when guided well by a correct policy. The masses create and produce artifacts and handicraft products, antique reproductions, and souvenirs that will take the images of Vietnamese culture all over the world. The masses also form the largest force that secures safety for guests and political security and social order. Hospitability and efforts to please all visiting and departing guests should be coupled with an awareness of the need to maintain a clean and healthy tourism environment. Protection for guests and the people should be highly regarded. Tourism should be developed in parallel with the implementation of measures to maintain a clean social environment and prevent AIDS.

Our country has plenty of beautiful landscapes, interesting people, and legendary historic sites. They can all become attractive tourist spots. Our tourism authority at all levels should have plans and policies to develop tourism in the right direction with the wide participation of the masses. It has been estimated that if a tourist is attracted to come to us or stay one more day, the extra foreign currency would equal the income of a farming household in a whole planting season.

Naturally, for the masses and other sectors to participate in tourism development, the key role of the national tourism authority, which is the Tourism General Department, and other professional agencies and units should be consolidated and developed. The tourism sector should be one step ahead in designing a general development plan for the national tourism industry with details of priorities and investment plans for each tourism area and its necessary facilities. A good policy of tourism development should be capable of mobilizing the people's participation and assistance from other sectors and industries as well as international investment to modernize our tourism facilities. We should expand our international interaction to learn from other countries' experiences, train necessary cadres, advertise our services, and obtain contracts to bring guests into Vietnam and help our people travel abroad.

Tourism development requires extensive relations with many other fields, including transport and communications, aviation, railway transport, customs, culture, health, sports, foreign relations, security, national defense, and so forth. There should be close coordination between the sectors concerned. There are still many tasks to be fulfilled, difficulties to overcome, and administration procedures to be reformed in order to create favorable conditions for tourists in the areas of entry and exit, transport, and recreation, ensuring safety for guests, national security, and a healthy society. The tasks are heavy, but we should be resolute in moving forward for the development of the tourism industry.

The renovation undertaking of our country is progressing in peace and stability. Stability and development are the strengths needed to deal with the fierce competition in this fast-developing world. Tourism is a friendship bridge that contributes to the development of the current world situation, in addition to its economic, cultural, political, and social benefits. In our open door policy and in the party resolutions, tourism development is considered an important contribution to the industrialization and modernization of the country. Party committees, state administration, and mass organizations of all sectors at all echelons should strive to work out the best way of mobilizing the people's contribution in developing an efficient tourism industry.

Private Sector Develops With Market Economy

BK1903155095 Hanoi VNA in English 1222 GMT 19 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 19—Following the operating in market reforms introduced in Vietnam the private sector has shown a steady expansion.

It is estimated that the private economic sector now includes 13,600 private enterprises, 5,100 limited liability companies and 130 jointly owned corporations, mostly medium and small-sized, worth a total of 6,530 billion dong (about [figure indistinct] million USD).

These numbers are between 8 and 10 times the level prevailing two years ago. The sector also includes about 560,000 households involved in industry, small industry and handicrafts, one million households in trading and service and 73,000 in the transport sector. In total, more than 3.8 million people working in the private sector, accounting for 12 per cent of the national labour force.

Last year, the growth rate of industry, small industry and handicrafts in the non-state sector rose by 13.8 per cent, with total turnover of 15,750 billion dong (approximately 150 million usd). Meanwhile trade and services achieved a combined turnover of 38,360 billion dong, up by 9.3 per cent.

However, the private economic sector development has not yet been stable due to the lack of directions and guidance as well as management expertise. This has led to ineffectiveness and even losses suffered by many units.

Statistics recorded in recent surveys in Hanoi and Ho Chi Minh City indicated that only 38 per cent of the local enterprises and companies are profitable. It is clear that a large number of both production and business units in the private sector are facing technical and managerial problems.

To facilitate stable development of this sector the state has been promulgating a series of relevant policies and laws and stepping up banking reforms.

Transportation Improvement Projects Outlined

BK1903134195 Hanoi VNA in English 1357 GMT 18 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 19—Vietnam's system of roads is in poor condition, with more than 12,700 km of national highway and 17,700 km of provincial roads classified as substandard, not to mention rural and mountainous roads. Moreover, half of Vietnam's bridges are temporary structures while over 500 km of railway and 15,000 metres of bridges are in serious need of repair.

To change the situation, the government has made a substantial investment in development of the transport infrastructure. A series of projects have been completed and put into operation although the quality are not always uniform. These include 57 bridges, the upgrading of the national Highways Nos. 5, 24, 27, 30, 80, nearly 200 km of railway and the expressway that links Hanoi with Noi Bai Airport.

New harbours have been dredged and built in Cai Lan, Qui Nhon and Ho Chi Minh City, while civil aviation facilities have been improved with a new runway in Tan Son Nhat Airport, the restoration of many domestic airports, the opening of new air-links, both international and domestic, and a new fleet of modern planes.

The strong development of transport infrastructure has given new impetus to the industrial production and engineering manufacturing. Since 1991, many new, highly technical products have been produced, such as, a 3,850-tonne ship, a 2,400-hp dredger, and a 600-tonne floating bridge. More than 70 per cent of the facilities owned by the sector have been repaired and maintained in the country. Many joint ventures for assembling cars and trucks have been licensed.

In the coming years, the sector will concentrate efforts on the construction and upgrading of the National Highways 1A, 14, 5, 18, the highway linking Ho Chi Minh City and Vung Tau, the harbours in Cai Lan, Dzung Quat, Vung Tau and Thi Vai, the Noi Bai and Tan Son Nhat International Airports, the trans-Vietnam railway while research is underway for the construction of a trans-Vietnam expressway. More attention will be paid to the riverways and the construction of new bridges.

The sector is striving to satisfy the increasing demand in the transportation of commodities (10 per cent a year) and passengers (5 per cent a year). It will purchase new planes and other air equipment in a bid to serve 50 per cent of the passengers flying in and out Vietnam and 20 per cent more of the domestical passengers (compared with the 1994 figure). Commodities transported on rivers will be raised to 20 million tonnes, and passengers, by 10 per cent. Furthermore, two oil tankers will be hired and five container ships will be purchased.

Investment is also made for the ship-building and auto-assembling, thus gradually decreasing the import of these lines.

Decision Issued on Hanoi Dike Protection

BK1903084195 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Mar 95

[FBIS Translated Text] The prime minister issued a decision on 16 March regarding measures to deal with the violations of the dike protection law in Hanoi. The decision reads as follows:

It is necessary to enforce the first phase of an action plan to deal with the violations of the dike protection law in Hanoi, as proposed by the Ministries of Water Conservancy and Interior, the Hanoi Municipal People's Committee, and other relevant sectors. This covers the following main points:

1. Technical measures: It is necessary to restore the open space on top of the dike and on its flanks as well as the clearance on both sides of the dike. More specifically, the top of the dike must be maintained at its existing average measurement with the dike's sloping sides maintained at their existing average angle; that is, M equals 1.5-2 [as heard]. On both sides of the dike, there must be a clearance of at least 5 meters from the foot of the dike outward. Through technical measures, it is necessary to ensure maximum safety for the dike during the 1995 rainy and flash flood season. A path must be built on each side of the dike to make dike inspection possible and facilitate rescue operations in case something happens to the dike.

The Ministry of Water Conservancy is responsible for approving specific technical steps. Together with the Hanoi Municipal People's Committee and other relevant sectors, the ministry has the main duty to determine the borderline for the foot of the dike and a minimum clearance for the dike as cited above; and finish technical activities to strengthen the dike before 30 June 1995.

2. Evacuation measures: All houses and existing construction projects situated on the top of the dike and on its flanks as well as in the safety clearance area—5 meters from the foot of the dike outward—must be evacuated to other places to create an open space for technical dike strengthening, ensure maximum dike safety, and inspect and organize dike rescue operations when something happens. The evacuation of families and the dismantlement of construction projects must be carried out in tandem with dike strengthening activities. Efforts must first be focused on clearing sensitive areas. Prompt actions must be taken against those buildings found seriously harmful to dike safety. As for historical and cultural sites, we must comply with Article 19 of the Law on Dike Protection promulgated by the SRV Council of State on 16 November 1989.

We must have a detailed plan for evacuating residents from the above area. We must go to every house and examine every specific case to come up with fair and appropriate assistance measures; for example:

a. As for long-time residents and those using the land legally before the promulgation of Ordinance No. 429-HDBT, dated 15 December 1990, of the Council of Ministers now known as the government, they will be compensated by the state for part of their evacuation expenses and will be allocated land by the local administration for resettlement outside the dike's off-limits area.

b. With regard to squatters, illegal land users, and those building houses illegally without permission, drastic measures must be taken against them, forcing them to return to their former residences or move to other areas without being given any assistance.

The Hanoi Municipal People's Committee is responsible for working out a detailed plan and for directing implementation work. Various urgent and drastic didactical and explanatory propaganda measures must be taken to make everyone understand and comply with the law and voluntarily dismantle and move their houses to other areas for the sake of collective interests. Along with didactical propaganda measures, compulsory measures must be taken against those intentionally failing to comply with the law.

3. Legal measures: Together with the relevant sectors, the Ministry of the Interior is mainly responsible for enforcement of legal measures. People building or expanding houses and other construction projects illegally within the dike's off-limits area after the date of promulgation of Ordinance No.429-HDBT, dated 15 December 1990, of the Council of Ministers now known as the government; those abusing their power to issue house building permits; those allowing construction works to continue after paying a fine; and those assigned to directly manage this issue that show a lack of responsibility will be subjected to investigation and punishment depending on the severity of their offenses.

To ensure that action is taken promptly and sternly against the right people in accordance with the law and to maintain national order and discipline, the Hanoi Municipal People's Committee, the Ministry of Water Conservancy, and other relevant sectors at the central level must, within their respective capacities, consider and take administrative actions against violations of administrative procedures. As for severe cases of violations where criminal responsibility is to be investigated, the Ministry of Interior must conduct investigations and take action as stipulated by the law.

4. The enforcement of the first phase of the plan to deal with violations of the law on dike protection must be seen as an urgent measure. The Ministry of Finance and the State Planning Commission must take the necessary steps promptly to allocate an adequate budget as estimated by the Ministry of Water Conservancy in the 1995 budget plan. The Hanoi Municipal People's Committee must work temporarily with the Ministry of Finance to provide part of the financial assistance for the dismantlement of buildings and evacuation of people.

5. The Ministry of Water Conservancy and the Hanoi Municipal People's Committee are responsible for cooperating with various sectors to launch a widespread propaganda campaign among the people on the dike protection law and on the policy to deal with violations so the people understand and comply with it and help ensure stable political security, social order, and safety.

Along with inspecting the implementation of the first phase of the plan, and based on those stipulations now in force, the Ministry of Water Conservancy and the Hanoi Municipal People's Committee must join with the relevant sectors in working out an action plan for the second phase aimed at resolving the dike occupation situation comprehensively and ensuring the durability of the dike in accordance with the situation and characteristics of the dike portion that protects Hanoi. They must present a plan to the prime minister for consideration and decision on the following three categories of houses as stipulated in Ordinance No.429-HDBT, dated 15 December 1990, of the Council of Ministers now known as the government:

—Houses that cause serious instability for dikes must definitely be destroyed and the dike portion concerned must be repaired and strengthened.

—Houses that have a bad but not as serious effect on dike safety must be gradually moved out. If not, measures must be taken to limit their bad affect on dike safety.

—Houses that have less effect on dike safety may be allowed to remain but their owners must comply with the strict stipulations of dike protection.

While studying ways to formulate the action plan for the second phase, the Ministry of Water Conservancy must join with the Ministry of Construction; the Ministry of Science, Technology, and Environment; and the Hanoi Municipal People's Committee in checking and dealing with the remainder of those houses and construction projects under the above three categories to be dismantled in the first phase.

National Committee To Study, Amend Tax Policy

BK1803094495 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Mar 95

[FBIS Translated Text] The prime minister issued Decision No. 152 on 11 March, on the formation of a steering committee to study and amend the state taxation policy. The decision is issued based on the Law on the Organization of the Government promulgated on 30 September 1992, and is aimed at making our taxation policy suited to the management of the socioeconomic situation in the coming period. The decision was also recommended by the finance minister.

Deputy Prime Minister Phan Van Khai is the chairman of the newly formed committee, while the finance minister is its vice chairman. The committee is charged with studying, outlining, and submitting to the government for approval a taxation policy suited to our socioeconomic development situation. The committee is to set up research groups and outline plans for tax collection according to the general plan already approved by the government. The committee will also hold seminars and conduct surveys inside and outside the country to improve its knowlege of tax policies. It must also seek widely public views on its general planning and detailed programs before presenting them to higher authorities. The finance ministry is to grant the funds and ensure the necessary conditions for the functioning of the committee.

This decision comes into effect on the date of the signing until the National Assembly approves a new taxation system.

'Main Contents' of 8th Plenum Resolution Cited

BK1803094695 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 14 Mar 95

[From the "Topical Talk" feature by Vu Ton]

[FBIS Translated Text] Dear comrades and friends, the Eighth Plenum of the seventh party Central Committee has determined the standpoints, directions, and measures to build a steadfast state mechanism that truly belongs to the people, works for the people, and is formed by the people under party leadership. The party organizes and encourages the people in the struggle for national independence, a prosperous people, a strong country, and an equitable and advanced society and to establish socialism in our country successfully.

The plenum agenda is extremely important for steadfast and speedy economic development along the socialist path. The Central Committee Secretariat has issued a directive to guide the implementation of the resolution of the Central Committee's Eighth Plenum in the Army and among the people. Implementing the directive of the Central Committee Secretariat and the plan set up by the Political General Department, Army units are now studying the resolution of the Central Committee's Eighth Plenum.

We would like to briefly introduce the main contents of the resolution for your study and research. The resolution of the Central Committee's Eighth Plenum—which addresses the continuation and betterment of the renovation of the state mechanism with the focus on basic administrative reform—comprises three main parts. The main contents of each part are as follows:

Part one addresses the situation of the state mechanism organization and activities in the recent past. The resolution points out that since its birth in the August Revolution in 1945, our state has demonstrated the fine characteristics of being closely attached to and serving the interests of the people under the leadership of the vanguard party of the working class. Since then, our state has constantly grown and contributed significantly to the struggle for the protection of national independence and the building of a new society and a new life. During the renovation process more than ever, our party has realized that together with economic renovation as a core policy, the political system should be gradually renovated at the same time [thif doongf thowif tuwngf buowcs dooir mowis heej thoongs chinhs trij], thus producing progress in state activities in the legislative, executive, and judicial domains and in both the structure and functioning of state agencies. State management under the law will then be consolidated, socialist democracy will be developed, and both the organization and functioning of the state mechanism will progress to a higher level.

The resolution also points out shortcomings and weaknesses. The legal system still lacks uniformity and has yet to create an appropriate legal framework; law enforcement is still unsatisfactory; state mechanism organization is awkward with low effectiveness and efficiency; officialism, wasteful spending, and corruption are still rampant; and the practice of centralized democracy is still inadequate. The party leadership has not been strengthened as expected, and the state still lacks clear-cut regulations to ensure improvement in the organization and efficiency of the state mechanism.

To improve the situation, there is an urgent need to strengthen the state mechanism; make it clean, steadfast, effective, and efficient; and fight officialism and corruption. To tackle these needs, the central plenum has confirmed five basic standpoints that need to be thoroughly understood by all party and Army units.

The first standpoint: Building a socialist state of the people, by the people, and for the people on the basis of the alliance among workers, farmers, and intellectuals under the leadership of the Communist Party; respecting the democratic rights of citizens; maintaining social discipline; and resolutely dealing with actions against the interests of the fatherland and people. This standpoint reflects the characteristics of the working class and the national and popular natures of our state. To heighten the characteristics of the workers, one should be resolutely loyal to party leadership, to Marxism-Leninism and Ho Chi Minh Thought, and to the socialist path. One should also be alert and resolutely fight vague viewpoints on class that deviate from socialism.

The second standpoint: State power is unified with a clear division of responsibility and coordination between agencies with legislative, executive, and judicial powers. This standpoint relates to the principle of state power organization that clearly states that state power is unified and comprises three branches—legislative, executive, and judicial. The three should neither be isolated nor opposed to each other. There should be a clear division of responsibility and close coordination among state agencies in practicing the three powers.

The third standpoint: The principle of centralized democracy should be thoroughly understood and practiced in both the organization and activity of SRV state agencies. Centralized democracy is the basic principle in the organization and functioning of our party and state. The proper combination of centralization and democracy is the key factor in deciding the strength and efficiency of our state mechanism.

The fourth standpoint: The socialist legal system must be strengthened to build a law-governed Vietnamese state that manages society through the laws, and at the same time pays more attention to educating the public to improve socialist morality in society. This standpoint clearly states that the socialist legal system is one of the fundamental principles for the organization and activity of the state mechanism. This system requires that all organizations, official organs, and individuals in society strictly observe the laws, regulations, orders, directives, and decisions issued by the state. Our renovation undertaking and the present situation of our legal system urgently require us to strengthen our legal system in the three aspects of promulgating the law, observing the law, and protecting the law. These three aspects are closely related.

The fifth standpoint: Party leadership over the government must be strengthened. The Communist Party of Vietnam led our people in a long and arduous revolutionary struggle for national independence and freedom. This standpoint defines the special characteristics of the SRV Government's true nature. Without party leadership, the government would loose its working class character and would not be a government of the people, by the people, and for the people. The important thing is that the content and method of party leadership over the government must be reformed. Party leadership, first of all, is the outlining of directions, policies, and practical guidelines. The first important thing is that all directions and policies must be applicable, conform with the rules, and agree with the people's wishes. The party leads the government, but party organizations and all party members must work within the bounds of the law and observe the law in an exemplary way.

Part two of the resolution refers to policies and duties in the coming period. In this part, the party plenum resolution defines five main issues as follows:

1. Continuing to renovate the organization and activity of the National Assembly.

2. Reforming the state administrative system in one step.

3. Renovating the organization and activities of various judicial organs.

4. Developing the mastery role of the people.

5. Strengthening party leadership over the state.

Of all the aforementioned issues, the concentration is on the reform of the state administrative system in one step. Why is the reform of the state administrative system in one step the focus of efforts to strengthen the state? First, because the administrative system holds a high position in the system of state authorities. Second, because urgent demands for the reform of the state mechanism mainly concentrate on the administrative system.

The eighth party plenum affirmed that this is a very urgent demand. Efforts should be concentrated to build and perfect the government in the coming period with the aim of building a clean, capable, efficient, and modern administrative system that can sufficiently manage state affairs, accelerate social development in a healthy and correct manner, satisfactorily serve the people's livelihood, and set up a good practice of observing the law in living and working for all people. This aim reflects the true nature of our government and demonstrates the demand of our renovation. It must be concretized into guidelines for the reform of our administrative system. These guidelines must be carried out over many years for gradual success. In the coming years, we have to concentrate on the following tasks:

1. Reforming the structure of the administrative system: The resolution specifies that to reform the structure of the administrative system, we have to concentrate on solving some urgent issues. In 1995, we have to reform our administrative procedures fundamentally, including regulations and organization for the implementation of reform; accelerate settlement of public complaints; continue building and perfecting new economic regulations; and renew procedures for our legislation building work, enhance our law enforcement work, and restore social order and discipline in the state mechanism.

2. Improving the structural mechanism and working regulations of the administrative system: On this issue, the eighth party plenum resolution clearly points out:

First, government and administrative organs at all levels must concentrate mainly on macroeconomic management; take care of cultural, social, and environmental protection issues; maintain law enforcement; strengthen national defense and security; and carry out the state policy on foreign affairs. They should not become directly involved in the operational management of state enterprises before we can eliminate the system whereby the managing administration authorities of state enterprises engage in business operations.

Second, the principle of democratic centralism must be adopted to combine sector and territorial management with the guiding and operating function of the administrative system and with the specialities of each sector and field. The power and responsibility of all administrative levels must be clearly defined, starting with the organs in charge of introducing regulations and setting state budgets.

Third, a contingent of administrative cadres and civil servants must be built. In our administrative mechanism, apart from a few elected cadres serving official terms, most of the staff are civil servants. They should be selected and assigned to work on a long-term basis according to their special skills, loyalty, and dedication. Therefore, the eighth party plenum resolution sets forth that in ensuing years, we must concentrate on building and gradually perfecting the civil service structure and regulations on civil servants; continue improving public service classifications, grades, and salaries; accelerate training for civil servants; and consistently fight corruption and the waste of public property.

Part three deals with organizing for the implementation of the resolution. The eighth party plenum resolution sets out the responsibility of all party committees, sectors, and localities to research, study, and implement the resolution. Speaking at the closing session of the eighth party plenum on 23 January 1995, Comrade General Secretary Do Muoi said that a correct policy is very important but organizing the satisfactory implementation of the resolution is the decisive factor. The directive of the Central Committee Secretariat also says that party committees, party affairs committees, and youth union affairs committees are responsible for setting up programs and plans to execute the tasks outlined in the resolution in a satisfactory manner, and that the guidance for the implementation of the eighth party plenum resolution must be closely attached to party renovation and correction.

For the implementation of the resolution, the Political General Department plan dictates that all responsible organs—especially the General Staff and other military units—while studying the resolution must prepare all necessary factors and conditions to carry out the reform of the administrative system in the armed forces once the government announces its decision to begin implementation.

To implement the Political General Department's plan, we must refer to real situations and consider plans and measures to be adopted in the future during the process of researching, studying, and discussing the Central Committee resolution. While setting up programs and plans, we must concentrate on some main contents to strengthen organization in conformity with the political requirement of the unit and with the higher command; build a contingent of cadres together with efforts to train more party members; gradually complete official titles, functions, and work requirements for military cadres; and implement policies to work according to official functions, control according to state law and military regulations, establish regular military procedures, and satisfactorily execute military administrative practices.

Central Organization Department Meets 13-17 Mar

BK1903085995 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 17 Mar 95

[FBIS Translated Text] On 13-17 March, the Central Organization Department [COD] of the party Central Committee [PCC] held a conference in Nam Dinh city to study and discuss measures for the implementation of PCC directive No. 51 on the organization of party congresses at all levels, to review the 1994 party building work, and to assign the major duties and tasks for 1995. The conference was attended by party secretaries and deputy secretaries of eight northern provinces, representatives from central committees and sectors, and chiefs and deputy chiefs of organization departments in 24 provinces and cities from Quang Binh Province northwards.

At the conference, the delegates decided that to satisfactorily execute PCC Directive No. 51 on the organization of the eighth national party congress in the second quarter of 1996, party congresses at all levels must be completed in the first quarter of the same year. They also discussed and fully comprehended the requirements, contents, and measures for the organization of party congresses at all levels. They spent a lot of time debating and exchanging opinions and experiences to perfect the COD planning on personnel organization of party executives in provinces, cities, districts, and precincts for the 1996-2000 term.

Vo Van Kiet Chairs Regular Cabinet Meeting

BK1703134595 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Mar 95

[FBIS Translated Text] Beginning yesterday, the government held a two-day regular meeting in Hanoi under the chairmanship of Prime Minister Vo Van Kiet.

Cabinet members heard Do Quoc San, cabinet minister and director of the State Planning Commission; Finance Minister Ho Te; and Ton Gia Huyen, director of the Cadastral General Department, present reports to be submitted to the National Assembly on the deployment and implementation of the 1995 state plan and 1995 state budget and on the situation regarding the enforcement of the law on land.

During their discussions, the cabinet members stressed the importance of the continuing expansion and development of production and the maintenance of high and stable economic growth, regarding these as the most fundamental measures to achieve a balance between goods and cash, to maintain prices, and increase budget revenue. Meanwhile, efforts must be made to enforce the monetary policy strictly; exercise strict control over the cash supply as well as the amount of credit in the economy; step up the renewal of the use cycle of capital; satisfactorily carry out the task of regulating the flow of money; vigorously develop various forms of capital mobilization; and build a national monetary reserve force, including monetary reserves for circulation, capable of carrying out market intervention when necessary.

During the meeting the cabinet members also heard a proposal presented by Cabinet Minister Do Quoc San to reorganize various general corporations and enterprise unions in accordance with Decisions No. 90-TTG and 91-TTG; a report by Le Xuan Trinh, cabinet minister and director of the Government Office, rounding up the views of various cabinet members on the draft law governing procedures to solve cases relating to the labor code and strikes; and a report presented by Minister of Water Conservancy Nguyen Canh Dinh on violations of the law on dike protection and on countermeasures to be taken by the government against violations along the Yen Phu-Nhut Tan portion of dike in Hanoi.

Deputy Prime Minister Phan Van Khai cited the key tasks of the government and of various sectors and localities at present. The meeting concluded with a speech by Prime Minister Vo Van Kiet.

Australia

Spokesman on Possible Visit by Sinn Fein Leader

BK2003023495 Hong Kong AFP in English 0231 GMT 20 Mar 95

[FBIS Transcribed Text] Sydney, March 20 (AFP)—Northern Ireland republican leader Gerry Adams, whose reception by US President Bill Clinton bruised Anglo-American relations last week, could visit Australia this year, according to reports here Monday.

Although, the Sinn Fein leader was refused a visa when he last applied to come to Australia, another application would probably be treated differently, a spokesman for Prime Minister Paul Keating said.

The spokesman told AFP he did not think Adams had applied for a visa, but if he did, the application would be viewed in the context of the accord between Britain and the Irish Republican Army (IRA).

However, a visit by Adams would be unlikely to be treated as an officially authorised event in which he would be formally welcomed by the prime minister, the spokesman said, adding: "I don't think it would assume that formality."

A spokeswoman for Foreign Minister Gareth Evans also said an application for a visa by Adams would be considered sympathetically.

Conservative opposition foreign affairs spokesman Alexander Downer said any visit by Adams would have to be handled far more sensitively than it was in the United States.

"There are a lot of people who still feel very strongly about this issue in Australia and any responsible government would take that into account," Downer said.

"I just wouldn't like to see Gerry Adams coming to Australia and being lauded and praised as some sort of hero of peace when the IRA has done all that it has done over the last couple of decades.

"I am not a great enthusiast for people who advocate terror and think there is something clever and progressive about blowing people to bits. So he wouldn't be the first person on my list of people to greet," Downer said.

Melbourne-based Independent MP [member of Parliament] Phil Cleary said Sunday that contacts in Sinn Fein—the political wing of the IRA—had told him Adams wanted to travel to Australia around September.

Over the past few days Adams has been feted by Clinton during a fund-raising trip to the United States.

New Naval Training Facility Opens in Melbourne

BK1703140195 Melbourne Radio Australia in English 0500 GMT 17 Mar 95

[FBIS Transcribed Text] A new multimillion-dollar naval training facility has opened in Melbourne. Crews training at the $275 million [Australian dollar] facility at Williamstown will use actual equipment to be installed on the Navy's new ANZAC frigates, which are currently being built.

Navy spokesman Michael Marley says he expects up to 5,000 people will use the world-class facility over the next 10 years.

[Begin Marley recording] The first crews are actually starting to arrive in Williamstown, so there is going to be a lot of money actually spent in the Williamstown area, and, of course, all this technology is here; the training facilities are in place, and already there is interest from overseas navies who would rather send their people to Australia than to the United States. [end recording]

New Zealand

Finance Minister Explains Economic Reforms

MS2003093695 London THE INDEPENDENT in English 20 Mar 95 p 25

[Report on interview with New Zealand finance minister Bill Birch by Diane Coyle; in London, date not given]

[FBIS Transcribed Text] There is one country that has conducted a far more radical free-market experiment on its economy than Britain under Mrs Thatcher and her successor. That country is New Zealand.

Bill Birch is the Finance Minister in New Zealand's conservative government. On the London leg of a whistle-stop world tour to drum up inward investment, he confesses what he likes to do in his spare time: "Reform the economy."

To most of us that might sound an unappealing hobby, but Mr Birch puts in 100-hour weeks in his passion to take the experiment to its conclusion, sparing a few hours on Sundays for his family. After all, his project has enemies.

The architect of sweeping labour reforms introduced in 1991, Mr Birch was burnt in effigy in street marches and mass protests four years ago. He says the Labour opposition plans to water down his Employment Contracts Act, which swept away the old bargaining structures and legal framework.

They would ease the unions back into the bargaining equation, accuses Mr Birch. "Unions don't need statutory recognitions," he says. "We don't officially recognise Rotary Clubs in legislation—why should we bother with unions?"

Before its National government lost power in 1984, the New Zealand economy had ossified into a centralised, over-regulated nightmare. Union membership was compulsory. Firms received notice of what wages they had to pay in a letter from the ministry.

The Labour government started to tear down the old structures until the election in 1990 delivered a conservative government. New Zealand now has about the least regulated, most open economy in the world. "It has been a breath of fresh air," says Mr Birch.

The process cost 150,000 jobs between 1987 and 1991. Since then 75,000 jobs have been created.

Mr Birch boasts that underlying inflation has been below 2 per cent for four years and growth above 6 per cent for two. It will slow down a bit, but he thinks the country can sustain expansion at a pace of 5 per cent. "Nobody is arguing about the strength of the economy now," he claims.

True perhaps—apart from farmers demonstrating against recent interest rate rises by New Zealand's famously independent central bank, whose governor's pay has been linked to its success in keeping inflation in its 0-2 per cent target range.

However, there are still arguments about the dramatic increase in income inequality the economic experiment has brought about.

It is a sore point with Mr Birch, who hands out a long rebuttal to statistics published recently in Britain that suggested New Zealand was the third worst for inequality out of 13 wealthy nations. The minister says the figures used pre-tax data on income and are, therefore, misleading.

He also points to research suggesting that while income inequality did increase between 1987 and 1991, the gap has narrowed again. These changes have been due mainly to the rise and subsequent fall in unemployment, he says.

"There has been a lot of pain associated with the adjustment process," Mr Birch accepts. But household incomes are rising at last.

He adds that the straight comparison also takes no account of income mobility. "We have a strong safety net and strong social mobility," he says. "There is wide access to education and training."

He clearly sees a bit more inequality as a price well worth paying for the big gains in productivity and competitiveness New Zealand has enjoyed. It is certainly impossible to find economists who disagree with the proposition that everything is fine and dandy with the country's macro-economic indicators at the moment.

As well as the strong growth and low inflation, the trade balance is healthy, investment is increasing, the currency is strong and the government has a budget surplus.

Some observers have concerns over whether even these payoffs are good enough to keep policy on a radical freemarket track. Such concerns, however, are not enough to keep the government from galloping along the path of reform.

Mr Birch says: "There is a long way to go." In no particular order, he lists: improving incentives for the unemployed to get back to work; reforming the education system to improve the skills base; tariff reforms; tax cuts; paying off government debt; and more privatisation.

Then there is reform of what's left of the public sector. Managers will all be put on five-year performance-related contracts. They will be set a three year budget and given [illegible]porate plan every year.

"There are still some old-style departments around," says Mr Birch. "The Justice Department and Commercial Affairs, for example."

The path of private sector behaviour for the public sector has been blazed by last year's Fiscal Responsibility Act. Its most endearing feature is the introduction of a pre-budget parliamentary debate to replace the post-budget debate. It also introduced accounting standards similar to those in the private sector, six-monthly government financial statements and a commitment to a balanced budget over time.

"The government has to set an example. It should stick to the things it should be doing, and do them better."

Kenneth Clarke, the British Chancellor, said last week that nobody here was going to feel good about the recovery for at least a couple more years.

Growth of 4 per cent last year was too high to be sustainable—it brought the danger of rising inflation. Does Mr Birch think the British government stopped the economic experiment too early?

"Britain was a world leader. Everybody has accepted the validity of the arguments," he says. "The British have set an example in the right general direction. Whether it has gone far enough is a question you have to answer for yourselves." But he leaves no doubt at all about what he thinks the answer ought to be.

Papua New Guinea

Deputy Premier Criticizes Australian Media

BK1903094795 Melbourne Radio Australia in English 1100 GMT 18 Mar 95

[FBIS Transcribed Text] Papua New Guinea's [PNG] deputy prime minister claims the Australian media is bent on ruining PNG's international image. Sean Dorney reports that Chris Haiveta's attack on the Australian media was made before an audience of Malaysian Government, banking, and construction officials.

[Begin Dorney recording] PNG's deputy prime minister and minister for finance was officially opening a US$ 60 million institutional housing project for PNG's disciplined forces, being built by one of Malaysia's biggest construction companies, YTO, and mostly funded by Malaysian bank loans and a Malaysian Government grant.

Mr. Haiveta said he was willing to bet that it wouldn't be worth a mention in the Australian media, which he claimed to have now unified in its determination to portray PNG as a nation of bankrupt—bankrupt monetarily, bankrupt politically, and bankrupt morally. He claimed the nation's law and order problems have become the subject of outrageous and inaccurate coverage. [end recording]

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